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Domestic Burdens Weigh In at Summit

Soviet Leader's Problems at Home Will Restrict Him, U.S. Analysts Say

By David K. Shipler
New York Times Service

WASHINGTON — When U.S. President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, meet in Geneva on Nov. 19 and 20, each will carry his domestic political burden into the talks. Each is restricted in his maneuverability by factors inside his own country.

As a result, Mr. Gorbachev's problems at home — especially his short period of eight months in office and the inefficiencies of his country's economic system — have become a focus of major interest to American specialists on Soviet affairs who are watching developments in Moscow as the summit meeting approaches.

Adam B. Ulam, a professor of international relations at Harvard University, is one of many experts who believe that a newly named leader of the Soviet Communist Party needs a period of time to consolidate his political power before he can afford to make conciliatory moves in foreign policy.

"I think he has to have some consensus behind him, and he cannot develop an individual style," said Mr. Ulam, who joined five other experts who briefed Mr. Reagan last week.

Mr. Gorbachev's tough approach in recent talks with the U.S. secretary of state, George P. Shultz, in Moscow was "to show he is not a weak leader," Mr. Ulam said.

"In the Soviet Union most people believe he is in a very strong position already," Mr. Ulam said. Of Mr. Gorbachev, comparing his position to that of the former Soviet leader, Leonid I. Brezhnev, who led the Soviet Communist Party during the era of détente.

"But to my mind," Mr. Ulam said, "it would not be right to say that he has the kind of influence Brezhnev had in the '70s, so he is still very limited in initiating his own peculiar style of foreign policy or domestic reform. He would like to have a degree of détente with the United States, but not at the cost of creating the impression of the Soviet Union as weak and not to appear as a weak or vacillating leader."

As a general rule, Western experts believe, it is politically safer in the Communist Party's Politburo for a Soviet leader on the rise to be tougher than to seem soft, whether on questions of internal dissent, Jewish emigration, military budgets, or Soviet-American relations.

On the other hand, improvement in the Soviet economy may be helped by a reduction in Soviet-American tensions, specialists say.

Zbigniew Brzezinski, who was national security adviser to President Jimmy Carter, saw a contra-

dictory effect from Mr. Gorbachev's internal political situation.

"On the one hand, it increases his stake in lessening some tensions with the U.S.," he said. "On the other hand, it makes it difficult for him to cut a compromise because he doesn't have the power to impose it. I think his authority is solid; his power is relatively limited."

A key factor in Mr. Gorbachev's search for improved relations with the United States, some analysts believe, is the high priority he has attached to a modest effort to change some elements of the Soviet economy.

Experts see two reasons for this. First, his economic proposals involve some political maneuvering and pressures on some vested interests in both the Communist Party and the government, and the Soviet leader may be eager to avoid international crises that would distract from these moves toward economic change.

Secondly, some experts think that an agreement with the United States on strategic nuclear arms would help contain Soviet military spending, freeing resources for the consumer sector.

"It is almost a historic opportunity," said Stephen F. Cohen, a professor of history and Soviet politics at Princeton University. "What Gorbachev wants to do at home requires that he freeze his arms expenditures. They have to make a massive expenditure in John Travolta, wouldn't she?" he said,

(Continued on Page 15, Col. 1)

Charles, Diana's U.S. Visit: Royal Swirl

By Francis X. Clines
New York Times Service

WASHINGTON — The Prince of Wales held a rare news conference Sunday, decreeing that his wife finds John Travolta to be a good dancer and that the prince himself finds George III to be a better king than Americans might admit.

"King George III felt that he had a bit of a raw deal in history," Prince Charles said in politely contradicting what he called "propaganda" about his forebear, who was denounced as a tyrant by the American revolutionaries. "I think slowly but surely people are realizing that he wasn't such an ogre as they made out."

Facing questioners with gentle precision, the heir apparent to the British throne deftly handled the one nonhistorical question on everyone's mind: how did his wife enjoy dancing with Mr. Travolta, who starred in "Saturday Night Fever," in the White House state dining room Saturday night?

As the band played music from the movie, other dancers on the floor stopped to watch the blonde princess and dark-haired actor offer a whirling, syncopated display of charming touch-dancing described as flawless by witnesses.

Attempting an answer Sunday at the National Gallery of Art, the prince smiled and glanced back at the princess. She remained silent, eyes down, fighting a smile that blossomed on her lips.

"She would be an idiot if she didn't enjoy dancing with John Travolta, wouldn't she?" he said,



Prince Charles gets a glance from his wife as he meets the press at the National Gallery of Art in Washington.

after first disavowing any intent of speaking for her. He looked back at her, inquiring whether the answer was correct, and received another shy smile of clear assent.

After the dance, Mr. Travolta had praised his royal partner. "I found her refreshing and

down to earth," he said. "She has style and rhythm."

The prince and princess had just spent 90 minutes touring "Treasure Houses of Britain," an exhibition of more than 700 works of art and furnishings from 200 country estate houses.

Charles, a patron of the show, invited Americans to visit it before it is disbanded in March.

"I only hope they manage to get all the pieces back in the right places," he joked Saturday night at the White House dinner.

Before the museum tour, the royal couple attended morning services at Washington Cathedral as crowds watched outside. The Episcopal bishop of Washington, John Walker, surveying the friendly interest in the visitors, at one point speculated whether the American Revolution might come unraveled "if the prince said, 'All is forgiven, come home.'"

The prince and princess set off for a hill country of Virginia for a private lunch at Oak Spring, the estate of Paul Mellon, the philanthropist and art patron, followed by a dinner with Vice President George Bush and his wife, Barbara, at the British Embassy residence.

The prince seemed fairly at ease at his news conference. He denied playing a hard "salesman's" role in promoting the British art show Sunday and journeying to a J.C. Penney department store Monday to celebrate a nationwide sales campaign for imports from Britain.

"I think it might be a bit embarrassing for people to know whether I was a salesman or whatever," he said.

Near the end of what British reporters said was the prince's first free-form news conference in several years, he admitted he was still suffering jet lag.

"We'll survive," he said. "It's all in the breeding, you know."

Israel, Jordan Reach Informal Accord on Talks

Sources Say Palestinian Role Is Key

By Thomas L. Friedman
New York Times Service

JERUSALEM — Prime Minister Shimon Peres and King Hussein of Jordan have reached an informal agreement to work toward negotiations in which Israel will agree to

King Hussein admitted that anti-Syrian activists had operated from Jordan. Page 2.



King Hussein



Shimon Peres

attend some kind of international conference in return for Jordan's agreement to bring to the conference only Palestinians who are acceptable to Israel, according to Israeli government sources.

This informal understanding apparently was arranged through U.S. mediation and other contacts over the last month. It lies at the heart of the diplomatic maneuvering and public declarations that have been taking place in the Middle East in recent weeks, the Israeli officials said Sunday.

To achieve a mutually acceptable format for negotiations — something that still appears to be a long way off — Hussein and Mr. Peres are working on parallel tracks, Israeli political analysts said.

Mr. Peres is said to be "squeezing" his coalition partners from the Likud bloc to agree to an international framework of negotiations to satisfy Hussein.

At the same time, the analysis said, the king is said to be "squeezing" Yasser Arafat, the Palestine Liberation Organization leader, to get him either to recognize Israel or to agree to participation at the negotiating table by Palestinians who are not members of the PLO.

This process is complicated and slow-moving, Israeli officials said, because of continuing differences between Mr. Peres and Hussein over how negotiations should be conducted, and because of the problems the two leaders face with their respective domestic opponents.

Another problem, the Israeli officials said, is an unexpected dispute that has arisen between Egypt and Jordan over the question of PLO participation.

"It is clear to us that the Egyptians and Jordanians are competing over who is going to control the PLO, and this is playing havoc with

(Continued on Page 7, Col. 7)

Budget Cuts in U.S. Delay Research on SDI

By Walter Pincus
Washington Post Service

WASHINGTON — President Ronald Reagan's timetable for a space-based defense against strategic nuclear missiles has been substantially eroded by congressional budget cuts, according to administration officials and documents.

At the rate that Congress has been appropriating money for the Strategic Defense Initiative, a congressional aide estimated, the research program will receive only about half of the \$26 billion the administration wanted by fiscal 1989.

In the long run, the budget cuts could affect some of the most fundamental decisions about the program, popularly known as "Star Wars," including whether a defense against enemy missiles should be primarily based in space or on the ground.

An appropriations bill approved Oct. 30 by the House of Representatives included \$2.5 billion for the program in fiscal 1986. While this

represents a funding increase of 80 percent over the previous fiscal year, it fell more than a billion dollars short of Mr. Reagan's request for the program.

The Senate is considering its own version of the appropriations bill. But experiments with space-based weapons, originally scheduled for early as 1991, are already being pushed back.

In testimony before a Senate Armed Services subcommittee last month, Lieutenant General James A. Abrahamson, director of the Strategic Defense Initiative, said that "budget cuts have caused major, and I would emphasize major, revisions in our program."

One of the programs "that we have regrettably had to delay in a very significant way is work on a space-based laser concept," General Abrahamson said.

In a reference to objections by Soviet officials and American critics that the experiments would violate the 1972 Anti-Ballistic Missile Treaty, he said, "We are more

fund-limited than we are treaty-limited."

General Abrahamson told the senators that it was too early to speculate on relative merits of ground-based and space-based defenses, but he noted that "it appears that the potential for large, effective ground-based lasers is very real."

Tests of ground-based lasers, already undertaken by the Soviet Union, are not barred by the 1972 ABM Treaty as long as they are done at a treaty-approved test site.

A document distributed to the Congress by the Strategic Defense Initiative Organization, the administration office coordinating the research program, says that the \$1 billion reduction already approved by Congress in the fiscal 1986 authorization budget for the program "postpones by six months to a year" resolution of key technical issues on "boost phase engagement," the crucial question of how to destroy enemy missiles shortly after they leave their silos.

In addition, major experiments on kinetic-energy weapons, which destroy their targets by impact, "will be delayed up to approximately one year," the paper says. It says that following the funding cuts, the air force has recommended a 28-month delay in experimental flights of the space-based "kinetic kill vehicle."

The paper from the administration's Strategic Defense Initiative office warns that any further reductions "will require a major deviation in the program and significantly delay completion."

But further reductions in funding for the program are almost certain to continue in the coming years, one senior congressional aide said. The program's spending plan calls for \$4.9 billion in fiscal 1987, which would be an increase of \$2.2 billion over the level authorized this year.

That is far more money than Congress is likely to approve, the aide said. He noted that "as the Pentagon has to cut back on pro-

grams that are already producing weapons, SDI is trying to grow 100 percent ... to prove principles for some weapons in the distant future."

Pentagon aides have said privately that White House refusal to

(Continued on Page 7, Col. 6)

Increase in Arms Traffic To Manila Cited by U.S.

By Jay Mathews
Washington Post Service

SAN FRANCISCO — Federal agents have detected what appears to be a growing volume of illegal U.S. firearms shipments to the Philippines and have arrested several

The Philippine defense minister expects a 10-year struggle with Communist rebels. Page 5.

eral Filipinos, including some with close ties to the government of President Ferdinand E. Marcos.

Although the suspected smugglers usually have said they are gun collectors with no political intent, federal officials and opponents of Mr. Marcos here say they suspect that the weapons are being bought by guerrillas who oppose the Marcos regime and private armies who support Mr. Marcos.

Among five illegal shipments intercepted in eight months, investigators have seized Uzi submachine guns, assault rifles, shotguns, pistols, military-style laser scopes, submachine gun parts and conversion kits to turn MAC-10 semiautomatic weapons into fully automatic machine guns.

Nolan Douglas, special agent in charge of the Treasury Department's Bureau of Alcohol, Tobacco

and Firearms office here, said that federal efforts to stop the traffic were proceeding nationwide but that much of the smuggling activity was centered in the San Francisco area.

San Francisco is a principal airline and shipping hub for trips to the Philippines, and also has a large community of Filipino immigrants.

"Seizures seem to have picked up quite a bit recently," said Thomas McDermott, assistant special agent in charge for the U.S. Customs Service here. The suspected smugglers always say the intended recipient is a pro-government official," Mr. McDermott said.

A State Department official said concern over gun smuggling "has been a factor in our bilateral relations."

The United States, with its large number of Philippine immigrants, appears to be the source of most if not all of the arms smuggled into the Philippines for anti-Marcos forces.

Steve E. Psinakis, an author based in San Francisco who is a director of the Ninoy Aquino Movement opposed to President Marcos, said some of the weapons apparently were bound for non-Macist opponents of the Manila government who have friends and relatives in the United States.

The New People's Army, the military arm of the Communist Party that is fighting a rural insurgency against Mr. Marcos, appears to steal or capture its weapons from government troops or buy them from corrupt officials.

Many of the arms, Mr. Psinakis said, are going to healthy Filipinos who want to protect their own interests and have armed themselves in the nation's often violent politics.

The most prominent Filipino arrested this year for the export of illegal firearms is Douglas Lu Yen, acknowledged by his attorney to be one of the most important men in the Philippine cocaine industry.

He was handcuffed and taken off a Philippine Airlines flight at the

Afrikaners near Pretoria acting out a scene of a 19th century family guarding against attacking black tribes.



James A. Abrahamson

the same way as Rhodesia," South Africa's formerly white-ruled neighbor that became black-ruled Zimbabwe in 1980 after a prolonged civil war.

That anxiety was reflected last month when Afrikaners, who for at least two generations have overwhelmingly supported the ruling National Party, split almost down the middle.

South Africa has made contingency plans to expel foreign black workers. Page 7.

They settled on these sweeping plains under the big sky, formed an all-white republic and consecrated their covenant with God by naming this town Bethlehem and the stream that runs through it the Jordan River.

More than a century later, the spirit of righteous certainty that ruled the lives of that pioneer generation of whites known as Afrikaners is fast fading for many of their heirs.

Growing resistance from the long-oppressed black majority, international opprobrium and economic malaise are contributing to the sense that whites are losing control, that the years of ascendancy and privilege may be coming to a close.

"There is a lot of fear in the Afrikaner's heart," said Dolf Brits, a Dutch Reformed minister here.

"It's not easy to admit we're going to lose our status as the dominant race in South Africa," he said.

Tucked into the heart of the Orange Free State, a traditional stronghold of Afrikaner conservatism, Bethlehem is one of the five districts up for grabs last month.

The Nationalists held onto it, but at a far reduced margin than in the past.</

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Far-Right Candidate Loses Campaign for Key Post in Geneva

Reuters

GENEVA — Voters in the Swiss canton of Geneva, a home to the United Nations and other international bodies, have rejected an attempt by the far-right Vigilance Party to win a place on the executive council.

According to results of the weekend poll, the canton will instead continue to be run by a mixture of moderates from the Social Democrats, Radicals, Liberals and Christian Democrats.

Vigilance had hoped to repeat the success of last month's elections to the cantonal assembly, where it emerged sharing the largest number of seats with the Liberals. Both won 19 out of a possible 100.

The Vigilance Party's program, directed as much against wealthy diplomats and foreign businessmen as the poor immigrants who do the area's menial jobs, calls for expelling illegal immigrants and stopping further international organizations from moving here.

But its candidate for the executive council, Arnold Schlaepfer, 69, managed only 10th place out of 12 candidates, well out of reach of a seat on the seven-member board.

The main gainer in the poll was the Christian Democratic Party, which doubled its representation to two seats after deciding not to put up a joint list with its traditional Liberal and Radical allies.

The Social Democrats and Liberals both kept two seats while the Radicals went down to one for the first time in 20 years.

Vigilance's strong showing in the assembly elections in Geneva followed by gains by fellow rightists from National Action a week later in Lausanne, caused many political commentators to wonder if the country was swinging to the right.

No one doubted Geneva's unusual situation. About a third of its 350,000 residents are foreigners and the city itself suffers from a chronic housing shortage and traffic congestion, issues easily exploited by the anti-immigrant members of Vigilance.

However, with a volatile public debate throughout the country on the mounting number of asylum seekers, intensified by some highly publicized expulsions, some saw the right's strong showing here as proof of growing anti-foreigner feeling.

The belief had seemed to be

borne out in a number of opinion polls showing that "the asylum question" was a key issue for many voters.

■ **Sanctuary Movement Grows**

A possible test of church against state took on greater dimensions Monday in Switzerland as 44 illegal immigrants from Turkey and Zaire obtained sanctuary from Protestant and Roman Catholic churches in Geneva. The Associated Press reported.

The followed 59 Chileans who were granted shelter last month in a Protestant church near Zurich. All the immigrants face expulsion following rejection of their requests for political asylum by authorities who have come under growing public pressure to check a record inflow of immigrants.

This month, in a move without precedent, 59 Zairians whom the government said used forged papers in seeking asylum were put on a special Swiss flight to Kinshasa, escorted by 120 Swiss police.

Zaire protested formally, saying that the persons expelled were subjected to "inhuman treatment."

The Swiss justice minister, Elisabeth Kopp, has not indicated if police will be ordered to evict the aliens from the Swiss churches.

More than 23,000 requests for asylum are pending in Switzerland, which already has the highest proportion of foreigners among European countries.



France Celebrates Armistice Day

French Army soldiers dressed in World War I uniforms parading near the Arc de Triomphe in Paris in observance of Armistice Day. Watched by thousands of onlookers, President François Mitterrand of France placed flowers on the tomb of the unknown soldier and reviewed troops.

AIDS Patient Using Drug Dies in Paris

The Associated Press

Hussein Sets Stage for Syria Talks With Concession on Moslem Activists

By Samira Kawar

Washington Post Service

AMMAN, Jordan — King Hussein of Jordan conceded Sunday that Moslem fundamentalists in Jordan had carried out operations against Syria.

The king's statement appeared to be a significant concession toward Syria on the eve of expected conciliatory talks between the two Arab neighbors.

Hussein, referring to efforts to end a six-year period of estrangement between the two countries, indicated a strong urge to push ahead with improving relations following two Saudi-mediated meetings between the Syrian and Jordanian prime ministers during the past two months.

Hussein, who expects to meet with President Hafez al-Assad of Syria during the next two weeks, recently has expressed hope of drawing Syria into his Middle East peace initiative.

Syria had accused Jordan of harboring members of the Moslem Brotherhood, a fundamentalist Sunni opposition faction in Syria and encouraging them to infiltrate Syria to destabilize Mr. Assad's regime.

But "it came to light that some of those who were connected to the bloody incidents in Syria were present in Jordan and were taking refuge in the houses of a deviant minority cloaking themselves in the gowns of our Moslem religion,"

to visit Syria on Tuesday for talks, and the message clearly was intended to prepare the atmosphere for reconciliation.

Hussein's statement, a revision of a position maintained for several years, indicated a strong urge to push ahead with improving relations following two Saudi-mediated meetings between the Syrian and Jordanian prime ministers during the past two months.

Hussein, referring to efforts to end a six-year period of estrangement between the two countries, indicated a strong urge to push ahead with improving relations following two Saudi-mediated meetings between the Syrian and Jordanian prime ministers during the past two months.

But the newspaper, the daily As-Safir, also said that a hull in sectarian fighting that kept the front lines quiet for most of the last week would continue.

It quoted a source in a leftist political party allied with Syria as saying "the waters would remain calm until regional and international factors are clear."

The position of the Christian Lebanese Forces, the main Christian militia involved in peace talks in Damascus last month with Druze and Shiite militias, As-Safir said, would be determined "in the light of what is decided at the summit regarding regional struggles and the Syrian role in the region."

President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, are to meet in Geneva on Nov. 19 and 20.

Colonel Kassis represents President Amin Gemayel, a Maronite Christian, who has not approved a draft accord that would involve changes to end Christian dominance of Lebanon's political structure.

The draft accord, reached Oct. 26, has been widely criticized by Christian leaders.

The independent An-Nahar newspaper quoted Nahib Berri, a cabinet member and leader of the Shiite militia Amal, as saying that the situation was "now frozen pending a crystallization of positions, especially of the other side," referring to the Christians.

Damascus Radio accused Washington of obstructing Syria's peace efforts.

It said Reginald Bartholomew, the U.S. ambassador to Lebanon, blocked the signing of the pact. As-Safir said Lebanon officials the accord would "delay the withdrawal of Israel from south Lebanon."

At least five persons — two in each of the planes and one on the ground — were known dead after the crash Sunday. Despite destruction and fires on the ground, only one other person was listed as missing early Monday. At least eight others were reported injured, two of them seriously.

The plane that fell in Cliffside Park plunged into a block of residential and commercial buildings. It leveled two buildings and, spewing jet fuel, touched off a fire in three others that burned out of control for hours.

Government authorities have denied there has been torture, but dissidents, human rights activists and family members of people under detention have charged the opposite. There was no attempt by authorities to break up the sit-in.

5 Dead After New Jersey Midair Crash

NEW YORK (NYT) — Two private airplanes collided and fell in flames over two New Jersey communities near the Hudson River, killing their occupants and setting off fires in residential and commercial buildings.

At least five persons — two in each of the planes and one on the ground — were known dead after the crash Sunday. Despite destruction and fires on the ground, only one other person was listed as missing early Monday. At least eight others were reported injured, two of them seriously.

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For the Record

West Germany's national airline, Lufthansa, canceled two domestic flights Monday and others were delayed by ground personnel striking over payments in a profit-sharing plan, a spokesman in Frankfurt said.

Portugal's opposition rightist Christian Democratic Party has chosen Adriano Moreira, 63, as its new leader after winning only 22 of the 250 seats in parliamentary elections Oct. 6, a loss of eight seats from the last election in 1983.

British airport immigration officers protesting scheduled staff reductions went on strike of eight to 24 hours Monday at Heathrow, Gatwick and Luton near London and at Glasgow and Edinburgh. An Airport Authority spokesman said nonunion officers stayed on duty and there were few disruptions.

Strikers protesting the killing of two mill workers rampaged Monday through Dhaka, Bangladesh, a police spokesman said. Five hundred people were arrested.

India and China failed Monday to settle a 23-year dispute over their Himalayan border, the Press Trust of India news agency reported. Both sides agreed to meet again in Beijing.

(Reuters)

Las Fairbanks Sr. and Rudolph Valentino, died here Saturday.

Miss McLaren starred in such silent films as "The Three Musketeers" in 1921, and "Shoes." She appeared at least twice on the cover of "Photoplay" movie magazine.

James Moroka, 95, died African Congress

JOHANNESBURG (Reuters)

— James Moroka, 95, a former president of the African National Congress, died Friday in Bloemfontein, South Africa, his family said.

From 1949 to 1962, Mr. Moroka served as leader of the congress, which was one of the richest in Africa.

He was said to be the world's foremost aviculturist or breeder of birds in captivity, and was an adviser to numerous zoos, including those in Los Angeles and San Diego.

In 1951, he had led seven expeditions to Indochina, bringing out 50,000 specimens of rare birds and 15,000 rare mammals.

His Norman estates, which were restored to become a major zoological park and where he spent his summers, have been willed to the French government, an associate said.

Mary McLaren, 85, Star of Silent Screen

WEST HOLLYWOOD, California (AP) — Mary McLaren, 85, a screen star and one of the leading stars of the silent screen who played opposite Douglas Fairbanks Sr. and Rudolph Valentino, died here Saturday.

Friedrich Tragott Wahlen, 86, a former Swiss president credited with helping Switzerland become

nearly self-sufficient in food during World War II, Thursday in Bern.

(Reuters)

WORLD BRIEFS

Bonn Excludes Pact With U.S. on SDI

BONN (Reuters) — West Germany has ruled out signing a treaty with the United States on joining its Strategic Defense Initiative. But it may participate in the project by way of a memorandum or an exchange of letters, a government spokesman said on television Sunday.

He said the center-right coalition would not make a final decision on the project for a space-based anti-missile system until the end of the year, as agreed earlier. Foreign Minister Hans-Dietrich Genscher had expressed reservations about signing a treaty because of possible harm to relations with the East bloc.

Contested Play Canceled in Frankfurt

FRANKFURT (Reuters) — Frankfurt's city theater said Monday that it had abandoned efforts to put on a play by the late Rainer Werner Fassbinder that was denounced as anti-Semitic by members of the Jewish community here.

Twenty-six members of the Jewish community stopped the premiere of the play, "Der Mühl, die Stadt und der Tod" (Garbage, the City and Death), on Oct. 31 when they occupied the stage. The theater had planned to try again Tuesday night to open the play, which features a shady property speculator known as "the rich Jew."

But Günther Rühle, the theater director, said Monday that the play would not be performed in order to preserve the peace in Frankfurt and secure normal working conditions for the theater.

Uganda Says Hijacking Imperils Talks

NAIROBI (UPI) — The Ugandan government charged Monday that the hijacking Sunday of a Uganda Airlines plane, which it said was carried out by rebels of the National Resistance Army, might undermine three months of peace negotiations between the insurgents and the government.

It remained unclear Monday whether or not the rebels wanted to take responsibility for the hijacking. Their chief negotiator in Nairobi, Sampson R. Kisileka, first said that they hijacked the aircraft in an attempt to seize two members of the military council who were scheduled to take the flight but canceled. Later, however, he said the hijacking was carried out by an army deserter, who would be given asylum by the rebels.

The aircraft, carrying 49 passengers and crew, including five West Germans, was diverted by a gunman during a domestic flight and flew to Kasese, a rebel-held town in western Uganda. All the nonmilitary passengers and crew were reported safe.

Benson Is Named as Mormon Leader

SALT LAKE CITY, Utah (UPI)

— Ezra Taft Benson was named on Monday as the president of the Mormon Church. He succeeds Spencer W. Kimball, who died Nov. 5.

Mr. Benson, 86, was secretary of agriculture under President Dwight D. Eisenhower for eight years. Throughout his career in both politics and the church, he has been known as an outspoken conservative, supporting the John Birch Society and opposing the Equal Rights Amendment.

Mr. Benson had been senior apostle of the Church of Jesus Christ of Latter-day Saints and president of the Council of the Twelve Apostles. Mormon tradition, established in the 140 years since Brigham Young assumed the presidency after the death of Joseph Smith, the church's founder, dictates that the council president assumes the top post.



Ezra Taft Benson

South Korean Dissidents Stage Protest

SEOUL (AP) — About 120 South Korean dissidents began a three-day sit-in Monday after holding a rally denouncing the alleged torture of detainees during police interrogation.

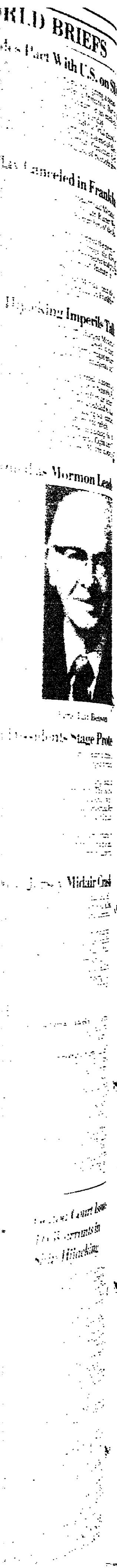
The protesters included Kim Da Jung and Kim Young Sam, co-chairs of the Council for the Promotion of Democracy. The council was the moving force behind the formation of the New Korea Democratic Party, the political opposition that won a surprisingly strong second place in National Assembly elections in February.

Government authorities have denied there has been torture, but dissidents, human rights activists and family members of people under detention have charged the opposite. There was no attempt by authorities to break up the sit-in.

5 Dead After New Jersey Midair Crash

NEW YORK (NYT) — Two private airplanes collided and fell in flames over two New Jersey communities near the Hudson River, killing their occupants and setting off fires in residential and commercial buildings.

At least five persons — two in each of the planes and one on the ground — were known dead after the crash Sunday. Despite destruction



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U.S. Counties Challenge Cities for Power

By John Herbers
New York Times Service

NEW YORK — Four years after President Ronald Reagan began dismantling federal domestic programs, a new order of local government has begun to emerge as once-dormant counties in many areas challenge cities for pre-eminence.

Through legislation, budget cuts, and executive orders, the Reagan administration has virtually ended the relationship between the U.S. government and built, through direct grants, with local governments over two decades.

Instead, it returned responsibility to the states, leading to turbulent change at the local level. The cities have historically been at odds with the states over local autonomy.

But now the expanding county governments, long favored by state legislatures, are joining the revolt, demanding more taxing authority and complaining of having to carry out state orders without the resources to do it.

In the process, the counties, which once represented primarily rural populations but are now deeply involved with gritty urban problems, appear to be gaining political power, both at the state and national levels.

A broader significance, however, is that the states will come under considerably more pressure to grant autonomy to local governments. In the past, counties have not been active on this issue.

"It has been a quite rapid devo-

lution," said Matthew B. Coffey, executive director of the National Association of Counties. Encouraging the rise of the counties, he said, is the fact that in time of decreasing federal funds they, rather than the cities, have taxing authority over much of the growth and wealth in suburban and exurban areas.

Thus counties, besides providing basic services outside municipalities, have been taking over metro-

County functions vary widely

The Census Bureau reported that the number of county employees rose by 4 percent over five years to 1,872,000 in October 1984. The number of municipal employees declined by 5 percent to 2,434,000 in that period. There are about 3,000 counties, whose boundaries have remained virtually unchanged for decades, and 19,000 municipalities, many of them newly formed or expanded.

Counties provide both inside and outside areas as welfare, health, highways, courts, and corrections.

A leading analyst of county governments nationally, D. Michael Stewart, who is chairman of the Salt Lake County Commission, sees trouble for the counties under the new order, in spite of their growth.

He said county governments often do not have the constitutional or legal power to carry out their increasing responsibilities. In addition, he said, this "is aggravated by the additional work load devolving upon them from state-required services and mandates." An example, he said, is that states crowd county jails when state prisons overflow but do not give the counties adequate funds to expand their jails.

Although many counties are flush with revenue from new housing and commercial development outside cities, Mr. Stewart said their future is threatened because most are almost totally dependent on the property tax, a levy despised by many taxpayers and one that is on the decline nationally.

Under the U.S. Constitution, counties are dependent on state legislatures to grant both taxing and legislative authority. The states, Mr. Stewart said, are preventing them from broadening their revenue base even to that exercised by cities.

No do counties in many states have the authority to enact laws and rules they need, said Mr. Stewart. As a result, county officials are organizing lobbies at all levels to gain more authority.

India Picks Shuttle Scientists

Reuters

NEW DELHI — Two Indian scientists have been selected and begin training to be astronauts aboard the U.S. space shuttle next spring or summer. India's space agency said.

politan-wide functions such as parks, hospitals, and libraries.

The rise of county governments is considered important largely because of the political ideology they bring to bear in both state and national arenas. Most city officials are Democrats, but most county officials are Republicans, Mr. Coffey said. Whether Democrat or Republican, he added, 87 percent of county officials are conservative in the Reagan mold.

County leaders have met frequently with Mr. Reagan since he entered the White House, while their counterparts were not invited. Yet the National Association of Counties was instrumental in organizing a coalition of state and local governmental groups to fight his proposal to disallow state and local tax deductions on federal income tax returns.

One indication of the rise of county government is new census figures showing substantial growth in county employment, in contrast to stagnation in municipal jobs.

from state to state. Two states, Connecticut and Rhode Island, have no counties. Rhode Island because it is too small and Connecticut because it abolished them two decades ago when they were thought useless in the complex of small industrial cities that make up that state.

Elsewhere in New England counties have little authority, but in most other states, the picture is different. New York and New Jersey counties are heavily involved in education, highways, welfare, health, police protection, recreation, and many other functions.

Los Angeles County in California provides the extreme example in county influence. It has a budget of \$6.7 billion, said to be larger than that of 17 states, and a payroll of 79,000 people, almost twice that of the City of Los Angeles.

More typical is Salt Lake City in Utah. Salt Lake City, the largest of 11 municipalities in the county, has a population of 160,000, but the county serves a larger popula-

Mistakes Piled Up In Bombing Of MOVE

By Bill Peterson
Washington Post Service

PHILADELPHIA — Five weeks of hearings about the May 13 bombing by police of a radical black back-to-nature group, and the subsequent fire that killed 11 people and destroyed 250 homes, have produced no single explanation of the day's events.

But the hearings have begun to change the political landscape of the fifth-largest city in the United States.

The hearings put the inner workings of the city government on public display in a way that few city governments have experienced. The picture they painted was not pretty.

The hearings showed official bumbling, paralysis, arrogance, miscalculations and communication breakdowns.

They showed a city government failing at almost every step in its attempts to cope with MOVE, a small but intransigent, radical group. The group's initial do not stand for anything.

"The people of Philadelphia have been able to look deeply into an incredible debacle," the Philadelphia Inquirer editorialized Friday.

"They have seen a police commissioner pleading ignorance so deep that if he is telling the truth — such ignorance alone be grounds for dismissal; seen a fire commissioner who agreed to let a fire grow out of control; seen a managing director who may better have remained on vacation.

"They saw a mayor, too, who did not say 'no' to dropping a bomb; a mayor who opted for the sidelines as police confronted MOVE and a neighborhood was consumed."

Almost everything that could go wrong did. Orders were disobeyed or ignored. Fire Commissioner William C. Richmond, for example, revealed that he never received an order from Mayor W. Wilson Goode to put out the fire caused by the bomb.

The policeman who made the bomb used C4, a military explosive not authorized by Police Commissioner Gregore J. Sambor. It was unlikely to trigger a fire and was unsuited for the job it was supposed



Mayor W. Wilson Goode

to do — blow up a rooftop bunker and knock a hole in the roof, according to testimony.

When fire engulfed the house, a police videotape recorded officers laughing at the misfortune of MOVE members inside.

A 12th member of the 24-member Supreme Court died of a heart attack.

In a brief address at the memorial service, held Sunday in Colombia's main cathedral and attended by hundreds of government officials and scores of foreign diplomats, President Belisario Betancur sought to explain his decision not to negotiate with the leftist rebels who seized the justice building shortly before noon on Wednesday.

The rebels were members of a group known as M-19.

He suggested he had had no alternative but to refuse negotiations with the rebels and order the repeated attacks by soldiers and policemen.

The government has issued no report on the number of people killed in the ministry, but according to numerous accounts about 100 people died.

Speaking at the end of a mass led by Bogota's archbishop, Mario Relollo, Mr. Betancur said that while he mourned the loss of life, the tragedy had "fortified the principle of legality."

"The choice," the president said, "is between democracy and terrorism, between the law and anarchy, between liberty and fear."

Mr. Betancur, 61, who was elected three years ago on a pledge to bring an end to Colombia's long guerrilla war, had several times negotiated with rebel groups on the terms of a cease-fire. In response to rebel demands in the peace talks, he had pardoned and freed hundreds of captured rebels.

In a meeting Saturday with Justice Minister Enrique Pareja, the surviving judges said that not only would they not take part in the memorial on Sunday, but also that they did not want government officials to attend any burial services for their slain colleagues.

Shortly after the memorial ser-

Judges Boycott Rites For Colleagues Slain During Bogotá Siege

By Joseph B. Treaster
New York Times Service

BOGOTÁ — The 12 judges who survived a 27-hour siege at Colombia's Justice Ministry last week have boycotted an elaborate memorial service for the scores of people who died.

The judges, who said they stayed away to protest the government's handling of the crisis, were joined in the boycott by most of the relatives of 11 slain justices.

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vices on Sunday, Mr. Pareja was asked several times why the government had not been more restrained in its assault on the railroads. He said that as a matter of policy, the government felt it could not enter into negotiations.

He acknowledged that Mr. Betancur had refused calls from the president of the Supreme Court for a meeting with the judge and with some of the rebels.

Mr. Pareja reiterated that the government had offered the rebels safe passage and a "fair trial" in exchange for their surrender.

The justice minister and he understood the anger of the judges and the relatives of the slain judges toward the government. "If we were a relative," he said, "I would probably feel the same way."

■ **Rebels Explain Raid**

Leaders of the M-19 group said in a clandestine meeting with several foreign journalists Sunday that they took over the Justice Ministry in a bid to draw attention to their cause, and were stunned by the takeover by force, United Press International reported from Bogota.

A rebel leader who called himself Alfonso said the group had planned to hold the Justice Palace for a few hours and then negotiate for the release of the judges.

"We never expected the bestiality of driving tanks through the front door," said the rebel leader, a member of M-19's 35-member national board of directors.

The guerrilla leaders denied government charges that the takeover was financed by drug traffickers and allegations that they evaded 11 Supreme Court judges after the final army assault began.

Alfonso said the Soviet-aligned group wanted the judiciary to rule on a 52-page "lawsuit" drafted by the rebels that accused Mr. Betancur of not complying with a peace agreement. The rebels broke off a cease-fire agreement with Mr. Betancur's government in June after charging the army had repeatedly violated the truce.

Alfonso said rebels took over the building "because it was the only way they would listen to us in the country. We wanted the court to go into session and resolve the suit."

U.S. Group Enlists Students to Monitor Professors

By Alison Muscatine
Washington Post Service

WASHINGTON — Cynthia McClintock, an associate professor of political science at George Washington University, requires students in her two courses in Latin American politics to read more than a dozen books and watch five films, including one film that is critical of the rebels backed by the United States in Nicaragua.

Although her course syllabus includes U.S. government papers and a textbook published by the conservative Hoover Institution, Miss McClintock's name is now on file with a newly formed university watchdog group, Accuracy in Academia Inc.

The newsletters will be issued only after professors have been contacted and given an opportunity to respond to students' com-

plaints, said the group's founder, Reed Irvine, and its executive director, Les Csarba 3d.

Mr. Irvine, who founded Accuracy in Media 14 years ago to counter what he considered a liberal bias in the national news media, said he decided to form Accuracy in Academia because college students were being saturated with one point of view.

The organization recruited students who began monitoring college classes in September and has published its first monthly newsletter, focusing on a political science professor at Arizona State University who devotes much of a political survey course to the issue of nuclear freeze.

"It seems to be pretty well established that liberal arts colleges are hotbeds of liberalism and turn out little liberals who go knee-jerking their way through life," Mr. Irvine said.

"Any professor is going to teach his point of view, and it would be unreasonable to expect that they

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won't," Mr. Irvine said. "But they have responsibility to present other points of view."

Academics and college presidents nationwide say the group is politically motivated and threatens the traditional concept of academic freedom. The American Association of University Professors has denounced the group.

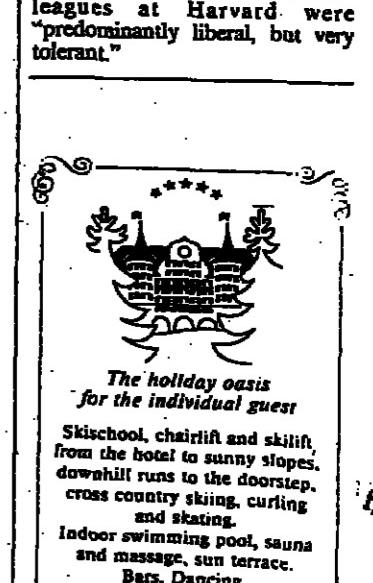
Officials of the association wrote in a recent issue of *Academe*: "Students will be discouraged from testing their ideas. Professors will hesitate before presenting new or unpopular theories that would stimulate robust intellectual discussion."

A special assistant to the U.S. education secretary, William J. Bennett, said last week that "it would be awkward" for Mr. Bennett to comment on Accuracy in Academia until he knew more about it.

But the assistant secretary, William Kristol, on leave from the faculty at Harvard University's Kennedy School of Government, said he opposed the group's tactics.

"Of course there is a bias on campus, but this kind of scrutiny by an external group isn't the way to attack it," he said.

Mr. Kristol, who teaches political philosophy and described himself as a conservative, said his colleagues at Harvard were "predominantly liberal, but very tolerant."



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Marcos Aide Expects 10-Year Insurgency

By Seth Mydans
New York Times Service

MANILA — Defense Minister Juan Ponce Enrile said Monday that it would take at least a decade before the Communist insurgency could be contained in the Philippines. His estimate differed sharply with that made last week by President Ferdinand E. Marcos.

Mr. Enrile said he believed that Mr. Marcos's prediction that the insurgency would be defeated in one year had been made "to buy up the confidence of the nation."

"The struggle will go on for a long time," Mr. Enrile said. "It could be a matter of a few years. It could be decades. It will be at least a decade before the situation is contained."

Asked in an interview Oct. 31 for his prediction about the counterinsurgency drive, Mr. Marcos said: "In one year we'll wipe them out, if we get the proper backing from both governments and the compensation military package."

He was referring to military aid from the United States that is included in a \$900-million compensation package for the use of two large bases in the Philippines.

Meeting reporters Monday, Mr. Enrile said: "He's the president and I'm not. I would rather take a more cautious approach than that, with due respect to my president."

He added: "I'm not optimistic that we can do that overnight or in six months or a year. This is a protracted effort."

It was the second time in recent weeks that optimistic assessments of the insurgency by Mr. Marcos have been contradicted by his military men.

On Oct. 25, General Fidel C. Ramos, acting chief of staff of the armed forces, said the insurgency had grown to a fighting strength of 12,500 men, considerably higher than an estimate of 9,000 made by Mr. Marcos the week before. Mr. Marcos later said that he would accept the 12,500 estimate of General Ramos, although he said that only 70 percent of that number was armed.

Appearing Monday with Mr. Enrile, General Ramos emphasized the need to seek political as well as military solutions to the insurgency.

The problem is not a military problem," he said. "It is more a political, economic and social one."

This is in accord with the analysis of U.S. officials, who have urged Mr. Marcos to institute wide-ranging reforms to combat the insurgency.

U.S. analysts have estimated rebel strength at 16,000 or more and have warned that the insurgency could reach a position of parity

with the Philippines armed forces within three to five years.

■ Aquino Mistrail Sought
Abby Tan of The Washington Post reported from Manila:

A group of prominent Filipinos petitioned the Supreme Court on Monday to declare a mistrial in the Aquino murder case.

The petitioners accused both the trial court and the prosecution of failing to serve the interest of the people through "manifest partiality and injudicious and irregular conduct."

They also demanded that the court be stopped from handing down a verdict, which is expected soon.

The petitioners included José Bengzon, Cecilia Muñoz-Palma and José B.L. Reyes, all retired justices of the Supreme Court. Also included were several businessmen, human rights lawyers and prominent priests and nuns.

The trial for the 1983 murder of Benigno S. Aquino Jr., an opposition leader who was returning to Manila from self-imposed exile, ended in September after seven months of hearings. Summations by both defense and the prosecution were completed two weeks ago.

The motion for mistrial charged that the prosecution was under tremendous pressure and that it could not act freely. It cited several examples of what it deemed to be lack of vigor by the prosecution.

The petitioners also charged that the trial court, led by Judge Manuel Pamaran, was prejudiced. They cited an assertion by Raul Gonzales, a lawyer who acted as private prosecutor during the trial, that a judge passed notes to help the defense.

Election Bill Submitted

Mr. Marcos submitted his post-dated resignation as president Monday to pave the way for a presidential election on Jan. 17. The Washington Post reported.

In a letter addressed to Nicanor Yñiguez, speaker of the National Assembly, Mr. Marcos made it clear that his "irrevocable" resignation would become effective "only when the election is held and after the winner is proclaimed and qualified as president by taking his oath of office 10 days after his proclamation."

Mr. Marcos's move enables him to run for re-election without having to leave office as the constitution requires. His letter was attached to a cabinet bill laying down the election ground rules. The bill was referred immediately to the parliamentary committee on revision of laws and was expected to be passed by next week.

Zia Agrees to Trim Powers, but Some Are Skeptical

By Steven R. Weisman
New York Times Service

ISLAMABAD, Pakistan — General Mohammed Zia ul-Haq has agreed to a modest dilution of his powers as president, striking a compromise with the Pakistani parliament that could pave the way for martial law to be lifted by next year.

But politicians and diplomats say that even if martial law were removed, General Zia and the army would probably retain enormous power.

The compromise, approved by the National Assembly in October, curbs General Zia's authority to dissolve the legislature and appoint provincial governors.

"This is a unique step in the history of our country," said Finance Minister Mabubul Haq, one of the authors of the compromise. "It shifts the discretionary power from the president to parliament and clears the way for a renewal of political activity."

General Zia and Prime Minister Mohammed Khan Junejo have set Jan. 1 as the deadline for lifting martial law. Skeptics point to General Zia's many broken promises, including his pledge to restore civil



Mohammed Zia ul-Haq

representative civilian government.

General Zia is still expected to wield considerable power. In recent interviews, politicians, diplomats and other analysts said he probably would continue some censorship and some restrictions on political meetings.

A civilian government with General Zia as head also would continue to have broad police powers to arrest politicians deemed guilty of threatening the country's stability, according to these analysts.

The main difference in a future civilian government, they said, would be that citizens would have recourse to civilian courts to challenge the government's actions. Their only recourse now is to militarily overturn.

Government leaders who support General Zia say that once martial law is lifted, the rules governing political activities will be liberalized. Others disagree.

For years, Pakistan has outlawed political parties and periodically imprisoned their leaders or subjected them to house arrest.

Whether political parties will function after January 1 is to be determined by the parliament. There is talk now of enacting laws requiring

parties to register with the government, hold internal elections, open their books to public scrutiny, bar foreign contributions and renounce violence.

Mr. Junejo said in an interview: "We are going to allow the parties to function. But they will have to abide by certain rules and regulations. I can assure you one thing. We are not going to have one-party rule in this country."

Vigorous opposition to General Zia exists only among 30 or 40 members of the 236-member National Assembly, the legislature's lower house, but Mr. Junejo said he had tried to avoid forcing passage of anything over the opposition of this minority.

"I feel it is vital that we do things by consensus," he said. The compromise was adopted, he said, "after we talked to everybody and took their views into account."

The many analysts who see the slow process of restoring civilian rule as a superficial exercise say the military will continue to act as a shadow government.

A key question is whether General Zia will resign as army chief of staff once martial law is removed.

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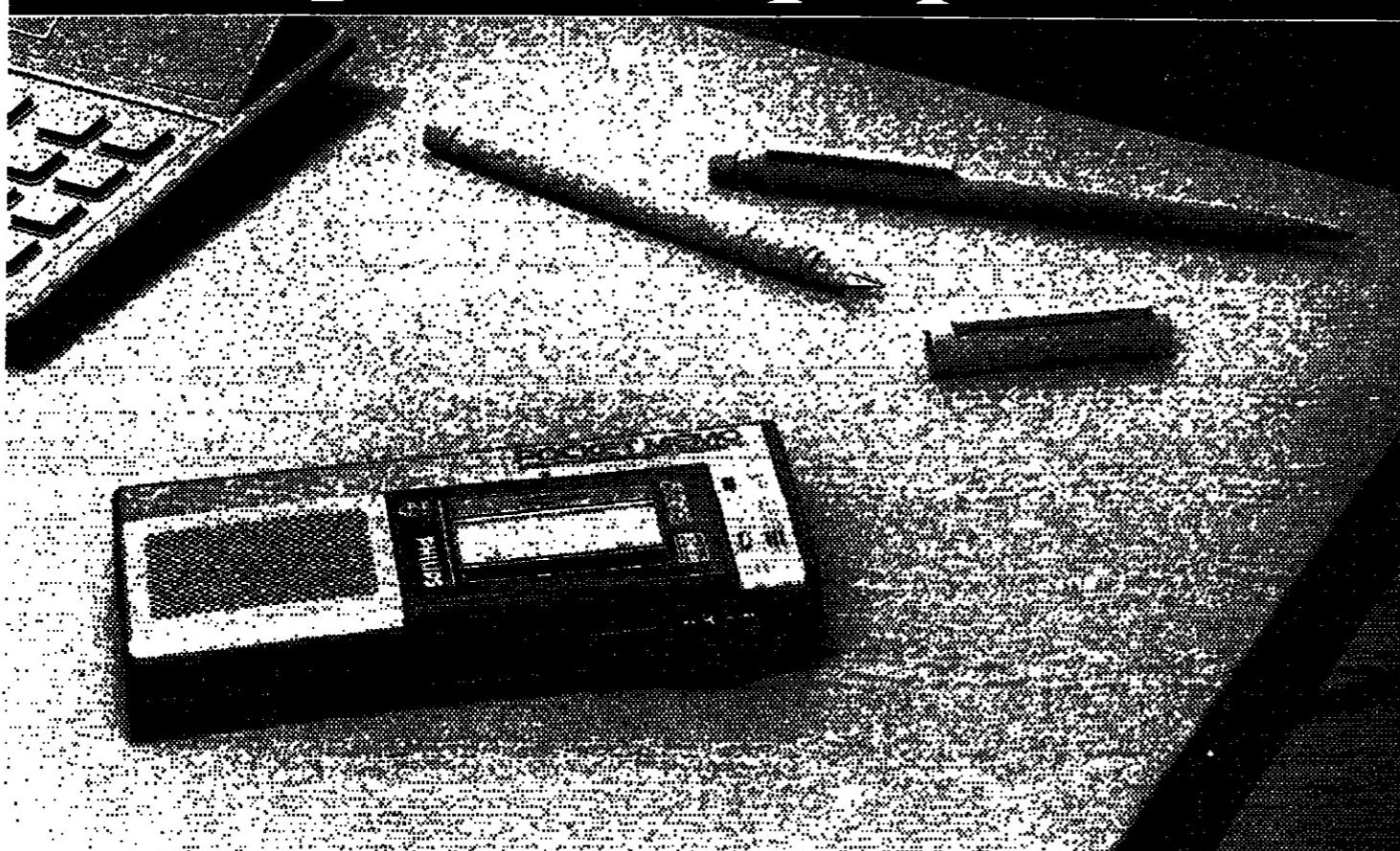
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Soft Options Won't Work

Most debtor countries reject Fidel Castro's advice to default, but they increasingly resent the austere conditions imposed by creditors. To some extent their protests are popularist declarations to save home audiences. Creditor countries, like tax collectors, are seldom loved. And if the International Monetary Fund, a professional creditor, is becoming unpopular, it can console itself with the reflection that its role is to influence people rather than make friends.

Still, the debtors' complaints merit close attention. A response of sorts was made by the U.S. Treasury last month. Will the U.S. proposal give the debtors more room to expand their economies? Or does it, like Europe's architects a couple of centuries ago, simply make the room look bigger by putting mirrors at both ends? One hopes it will herald an increase in the flow of sorely needed funds to the debtors. When the rhetoric is interpreted, however, it seems clear that America is not proposing to soften the conditions on which the funds are granted.

Many of the debtor governments represent fragile democracies that have taken bold initial steps to reverse the economic collapse that their military predecessors fostered. One can sympathize when, after a year or so, they feel impelled to relax the austerity that has been the condition of bailout loans. But sympathy, by itself, is not much help.

The debtors' economies are to be brought back to a decent growth path. There is probably little real choice between unpopular disinflationary policies and indulgence of hyperinflation. Current suggestions that the creditors should put less stress on stabilization and more on getting the economies of the indebted countries growing again may

not be helpful if they condone the persistence of runaway price increases.

Inflation in these countries is unlikely to match North American or European rates in the near future, but it must come down from triple-digit heights. Most debtors want to move away from state control toward freer market conditions, but local enterprise is unlikely to flourish when high inflation and the resulting political instability make risk-taking investment foolhardy. And inflows of foreign private capital are discouraged by the economic and social chaos that threatens when money has no lasting value.

It would be enormously useful if governments in the rich world stepped up spending on aid. But the shaming truth is that aid hit a bad patch long ago from which it will not emerge soon. So debtors have little choice but to seek private funds from abroad.

The rich governments can do something, at relatively small expense, to help the indebted in this quest. They can devise arrangements to reduce the immediate burden of interest payments. They can draw up new multilateral schemes to guarantee business capital flowing from north to south. They can cautiously modify regulations that inhibit fresh bank lending to the debtors.

But all that depends for its success on orderly financial conditions inside the debtor countries. Disorder will simply make new capital flow out again as fast as it comes in, because with high inflation those lucky enough to earn more than a subsistence income will always send it abroad for safety.

This is why the debtors have to resolve the dilemma between soft political options and the pursuit of hard economic policy.

INTERNATIONAL HERALD TRIBUNE

No News Is Bad News

Pretoria is tightening up on the news. On Friday it invoked the apartheid system's draconian internal security legislation against the white editor of the Cape Times, Tony Heard, for publishing the first substantial interview in the South African press in 25 years with a black guerrilla leader. In the interview, Oliver Tambo of the African National Congress urged the government to create a climate for talks. The newspaper deemed publication "a contribution to peaceful solutions in South Africa in a matter of overwhelming public importance." The government saw an intrusion upon its chosen course of toughing it out. Others will see an insistence on flying blind.

New government curbs will now substantially thin the news flowing to the international public as well as to South Africans. Television, radio and photographic correspondents are henceforth barred from areas of unrest. Newspaper and magazine journalists can enter those areas only with police permission.

South Africa is not the first place where officials have been angered by the media, especially by television, with its distinctive ability to touch the emotions of a broad public. What is distinctive is the evident aim to keep pictures of discontent from the foreign public, mostly, we presume, from the American public. Pre-

toria has been stunned to find public and even official support fading in the United States, a country it previously regarded as reliable.

The government claims that television coverage of violence incites disturbances — as if apartheid did not light its own fires. It is more plausible that the government acted because of the "unprecedented intensity of interest" in South Africa that a Cape Times journalist found in America during a recent visit. Noting that Bishop Desmond Tutu's "impact as a communicator was electrifying" to the American public, Gerald Shaw wrote, fairly: "But it was the police whippings that really did it — the night after night on television of South African policemen whipping people in the streets of South Africa, whipping them as they ran, whipping them on the ground, dragging them along with one hand and whipping away furiously with the other."

To this spectacle, two broad responses were possible. One, favored by Gerald Shaw and the Cape Times among others in South Africa, was political dialogue. The other that of the government, was censorship. The reprisals against journalists, like the uproar in the townships, are likely to strengthen the West in its view that apartheid is destroying South Africa.

— THE WASHINGTON POST.

The Tin Cartel Collapses

The tin cartel is collapsing in a pile of debts. The causes extend far beyond the tin market, so this is not to be dismissed as the isolated misfortune of one relatively small industry.

But the misfortune is genuine. Some of the producers are small countries heavily dependent on tin exports. At least in principle, there was something to be said for an international attempt to stabilize the price. Tin accounted for about a third of Bolivia's export earnings, for example, and the failure of the tin agreement is a disaster for the Bolivian economy.

Prices of commodities have been falling throughout the world for the past year and a half. It is not only Arabian oil and American grain but a vast range of raw materials and foodstuffs. This decline has taken producers by surprise. They had assumed that, as in the past, economic growth in the industrial countries would tighten demand for commodities and push prices steadily upward. But the industrial economies have been growing for three years, and commodity prices are falling.

The International Tin Council, a consortium of 22 governments, had been ticking along inconspicuously in London for nearly three decades. Its method was to impose production quotas on its members and then try to hold the world price at agreed levels by buying

into its buffer stockpile or selling out of it. But some important newcomers to the business — Brazil and China — were not members, refused to recognize the quotas and began exporting large volumes into a weak market.

The decline of the U.S. dollar's exchange rate added another kind of downward pressure. The council did its business in sterling, but many of the major buyers deal in dollars. The price in pounds fell along with the dollar. The tin council was trying to prop it up with heavy buying, but that was expensive. Two weeks ago the manager of the stockpile ran out of money and suspended operations — at a point at which the council had more than \$800 million in debt outstanding to London traders and banks. That debt has created a medium-sized financial crisis in Britain.

Nobody currently knows what the price of tin might be. The big buyers are holding off to see what happens next. Parallels between tin and oil or grain ought not to be exaggerated, since each of them follows its own peculiar rules. But sheikhs and American farmers would probably agree with the stunned producers of tin that, while the benefits of lower prices can be substantial, they do not offer a free ride to everybody — or a safe ride.

— THE WASHINGTON POST.

FROM OUR NOV. 12 PAGES, 75 AND 50 YEARS AGO

1910: Foreigners Assaulted in China

HONG KONG — A letter from Lienchou-Kwangsi reports that rioters have demolished many buildings, including the American Presbyterian church, hospital and college. They then proceeded to Tsao-Yuen-Po, intending to slay the missionaries, whom the gentry assisted to escape in boats to Canton. Three battalions have left Canton to quell the disturbances. A British gunboat also is proceeding thither. Because officials were numbering houses in Lienchou, the mob became enraged, believing this to be an excuse for imposing taxation. Meanwhile, Reuters reports from Shanghai that the enforcement of preventive measures against the plague has led to disturbances in the Yangtze valley after floods, during which six Europeans have been roughly handled.

1935: Short Takes for Baby Stars

HOLLYWOOD — The real plutocrats of the flicker business aren't the Mayers, the Lammells or the Schencks. Nor are they the Garbos, the Chaplins or the Barrymores. They're the month-old babies who, if they worked eight hours a day, would earn \$432,000 a week. Potential film stars at that age earn \$75 a half-minute. And that constitutes their normal work day. Under state health regulations, month-old babies can't be employed for more than 30 seconds at a time. The glare of the lights would endanger their sight. When they go on a scene they are timed. When the dial ticks off 30 seconds, off they go back to their cradles. It's a painstaking job, these appearances of the baby stars, and one that always brings groans to the director and his staff.

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Greek Fun
Isn't What
Used to Be

Pretoria Acknowledges Making Plans to Expel Foreign Black Workers

Reuters

JOHANNESBURG — South Africa acknowledged Monday that it had made contingency plans to expel foreign black workers because of international economic sanctions.

But Pieter T.C. du Plessis, the minister of manpower, said in a statement that "there is no immediate plan or desire to summarily repatriate large numbers of foreign workers."

Mr. du Plessis issued the statement after a Johannesburg newspaper said a decision had already been made by Pretoria to expel many of the estimated 1.5 million blacks who have left neighboring countries to find jobs in South Africa.

Business Day, a financial daily, reported Monday without citing sources that major employers had been informed of the plans and said the government should expect an angry international backlash if it ordered a mass exodus.

Clive Knobbs, the president of the Chamber of Mines, whose gold-and coal-mining members employ about 350,000 foreign blacks, said he could neither confirm nor deny that he had been told of the decision.

While denying the **Business Day** report, Mr. du Plessis's statement was the latest threat by South Africa to strike back at the economies of black-ruled nations around it because of punitive measures over its apartheid policy of racial separation.

On July 29, President Pieter W. Botha said that the imposition of sanctions could result in the expulsion of hundreds of thousands of foreign workers.

■ 'Bogus' Evidence Alleged

Earlier, Alan Cowell of The New York Times reported from Johannesburg:

A South African newspaper has accused the authorities of using unverified and "bogus" evidence of improper behavior by foreign television crews to help justify a crackdown on reporting on racial disturbances.

The Sunday Star of Johannesburg said that the deputy minister responsible for information, Louis Nel, had quoted a letter published in the Daily Telegraph of London as proof that television crews were purportedly stage-managing unrest.

But, the newspaper said, its investigations had shown that the person said to have written the letter did not seem to exist and that the people living at the letter writ-

er's supposed address in England had no knowledge of it. In London, a statement by the Daily Telegraph on Monday seemed to acknowledge the letter's dubious origins.

It said: "The handwritten letter was received through the mail on Nov. 4, with name and address, and was published in good faith. It now appears that it was intended to deceive, and we owe our readers a sincere apology."

The letter, signed by a D. Evans, said that the writer had returned from a two-month visit to South Africa, where he had seen a television crew incite schoolchildren to riot for the cameras.

Mr. Nel's statement was issued as justification for a total ban imposed Nov. 2 on television and radio coverage of incidents of unrest in the 38 districts covered by South Africa's state of emergency.

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A group of black community leaders from Port Elizabeth, South Africa, waiting on a bus after being released from detention under the state of emergency. The local chamber of commerce had urged that the 19 be set free, apparently because of the effects of a boycott.

Defiant Right Splitting Solid Front of Afrikaners

(Continued from Page 1)

religious beliefs," he said. "They left the Cape for their political beliefs. And I'm making a stand here for both."

For years the political vehicle for Afrikaner aspirations was the National Party, whose leaders preached a straightforward gospel of white supremacy and Afrikaner unity. Bethlehem's parliamentary seat is one of only six in South Africa that has belonged to the Nationalists since 1914, the year after the party was formed.

After they came to power in 1948, the Nationalists constructed the rigid system of racial domination called apartheid. But 37 years of rule have dulled the Nationalist edge and brought forth a generation of leaders who speak a blurr

and black rights, even if in practice they move slowly.

Their tentative moves toward political change have triggered a reaction on the Afrikaner right that has split Bethlehem and other small communities.

The reaction started with the small Herstigte or "Reconstituted" National Party that broke off in 1969 and that won its first parliamentary seat in an upset in last month's voting. But it came of age with the founding of the Conserva

ative Party three years ago.

The Conservatives' solution is to return to the fundamentals of apartheid: compel blacks to reside in the homelands, allow them voting rights there but not in "white" South Africa and permit those living in urban areas to do so only as alien immigrants, not citizens.

Conservative leaders express

their views in dispassionate tones. But behind the message lurk the deep racial fears of an outnumbered people who are afraid that once in power blacks might do to them what they have done to blacks.

Wessel Wolmarans, a slim, weathered cattle breeder, was one of the first to sign on with the Conservatives in 1982. He speaks two African languages and grew up among the black workers on his father's farm, but he sees most blacks as hopelessly inferior, and those who are not as a threat.

"It's the educated ones who cause all the trouble," said Mr. Wolmarans, adding that his solution to the unrest would be the same one the government used in the Sharpeville massacre of 1960 —

shoot a large group of rioters.

Mr. Wolmarans does not go into town on Saturdays because too many black shoppers crowd the area. He does not supply electricity to the 11 black families living on his property because, he said, "they'd only break all the light bulbs."

The men who lead the Conserva

tives tend to shake their heads with bemusement at Mr. Wolmarans's blatant racism. But their speeches and programs speak directly to his fears.

"If you yield to liberalism, integration and multiculturalism, you'll commit suicide," Andries Freudenthal, the Conservative Party leader, said at a recent rally here.

"If you adapt to sharing power with the blacks, you betray your own freedom and the future of your children and your grandchildren."

The campaign has been particu

larly successful in physics departments, some organizers said. More than half the physicists at 23 institutions, including some in the fore

front of scientific research, have signed a pledge not to accept re

search funds under the missile de

fense program.

Among the institutions are the California Institute of Technology, Harvard University, the Massachusetts Institute of Technology, the State University of New York at Stony Brook, Princeton University and Yale University.

But government officials said they did not expect the drive to affect on the program. "We have more proposals than we can accept," said Mary Peshak, a spokes

man for the Strategic Defense Initiative Organization.

The organizers call the missile defense program "ill-conceived and dangerous" and argues that achieving reliable missile defense is impossible.

Budget Cuts In U.S. Delay Research on SDI Plan

(Continued from Page 1)

entertain any limits on the program in U.S.-Soviet arms negotiations in Geneva stem partly from a belief that the Congress would slash the program even deeper if it thought the system would never be deployed.

In the Congress, however, several legislators said that if the president fails to use the program to negotiate deep reductions in the superpowers' offensive nuclear forces, it probably would lose even more funding.

Much of the program's support comes from members who do not think it is worth much, except as a bargaining chip," a House expert said last week.

Mr. Reagan and Defense Secretary Caspar W. Weinberger have said that no deep cuts in offensive arms would be worth trading away the possibility of finding a missile defense that could make nuclear weapons obsolete.

■ Research Boycott Grows

More than 1,600 scientists and nearly 1,200 graduate students on 90 campuses have pledged to reject research funds for work related to Mr. Reagan's program. The New York Times reported, quoting organizers of the pledge campaign.

By appearing close to Mr. Ara

faf, the Egyptian leader was trying to improve his nationalist Arab image and to defuse his domestic opposition.

Second, Mr. Mubarak and his national security adviser, Osama el-Baz, want to make Egypt the central Arab actor in the peace process and hope to do so by subordinating Mr. Arafat to themselves, as opposed to Hussein, Israeli officials said.

In contrast to Mr. Mubarak, Hussein is trying to "deflate" Mr. Arafat to a more manageable size, the officials say. The king more or less dismissed Mr. Arafat's Cairo declarations on terrorism as irrelevant.

Israel and Jordan Reach An Agreement on Talks

(Continued from Page 1)

along to review Egyptian military exercises.

Moreover, after Mr. Arafat issued an ambiguous declaration in Cairo renouncing terrorist violence outside of Israel, Mr. Mubarak's aides quickly declared that the Congress would slash the program even deeper if it thought the system would never be deployed.

An Israeli official said that Hussein apparently "hit the ceiling when he heard what the Egyptians had to say about Mr. Arafat."

"Here the king was trying to play

Arafat down and squeeze concessions out of him," the official added. "And Mubarak starts building him up."

According to Israeli officials and political analysts, Mr. Mubarak has decided to draw closer to Mr. Arafat now for two main reasons.

First, Mr. Mubarak was embarrassed domestically and regionally when U.S. jets intercepted and diverted to Sicily an Egyptian劫机者 carrying the Achille Lauro hijackers and Mohammed Abbas, a PLO official who the United States says masterminded the hijacking. The interception made the Egyptian president look like a "stooge," Israeli analysts said.

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faf, the Egyptian leader was trying to improve his nationalist Arab image and to defuse his domestic opposition.

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He said that while Mr. Arafat's remarks were "a positive step," if the PLO chairman really wanted to be at the negotiating table he would have to clearly accept Israel's right to exist along with United Nations Security Council Resolutions 242 and 338, which call for Israel to withdraw from occupied territory in exchange for Arab recognition of Israel's right to exist.

The king, according to Israeli officials, is working on several alternatives to fulfill his side of the agreement—to bring to the negotiating table Palestinians acceptable to Israel.

The king is trying again to convince Mr. Arafat to become "acceptable" by recognizing Israel. At their recent meeting in Amman, Mr. Arafat was reported to have promised to take up the matter with his organization.

■ Arafat Ends Cairo Talks

Mr. Arafat met Tuesday for 50 minutes with Mr. Mubarak, ending a one-week visit, Reuters reported from Cairo.

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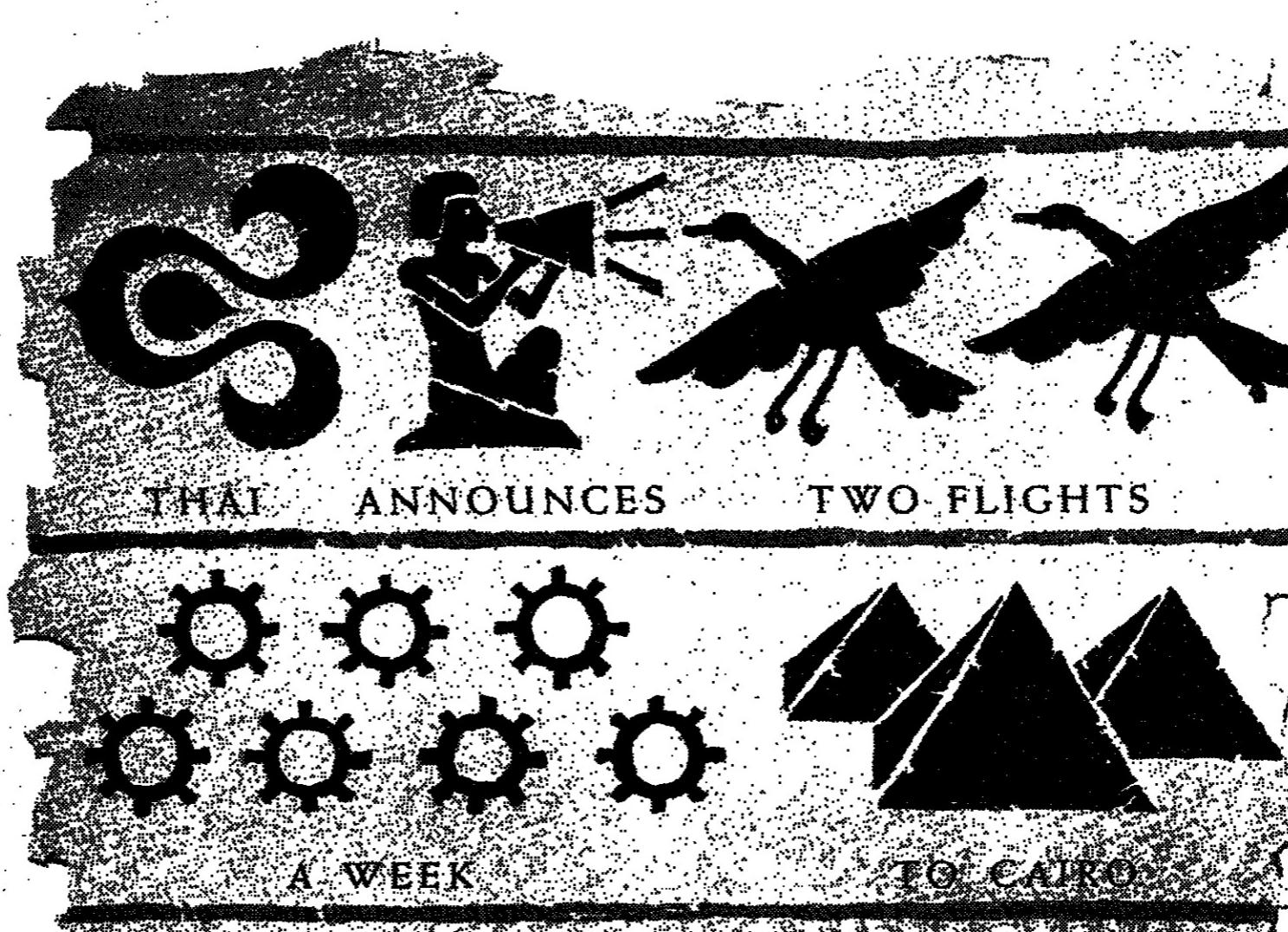
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N. Y. Designers Miss Out on Body Craze

International Herald Tribune

NEW YORK — American designers have not caught up with the body craze that is the strongest direction out of Europe. The biggest influences are still

HEBE DORSEY

Saint Laurent, Ungaro, Valentino and Armani.

Experts agree that you don't go to New York looking for creativity; what is important is to sell. American designers are great fashion processors, taking a little here, a little there and ending up with clothes perfectly suited to their market.

The Saint Laurent spencer suit, with contrasting buttons, is all over the map, and so is his love for jersey. Valentino contributed all sorts of little sweaters and Ungaro's draped dresses were also highly visible.

At the other end of the spectrum, Ralph Lauren and Calvin Klein's vision of womanhood is solidly rooted in American sportswear tradition. Lauren, however, is changing his focus from American prairie to a soft, American version of Deauville in the 1920s — the kind of dress that would have suited Great Gatsby heroines.

He began his collection last week with simple, long silk dresses in

colors such as peach or slate blue and printed with delicate flowers, utterly romantic and true to Lauren's subtly seductive style. Lauren, who already has a shop in London, is opening in Paris on the Rue Royale in March.

Calvin Klein (not to be confused with Anne Klein, an American sportswear line designed by Louis Dell'Olio) also scored with a look inspired by the casual, slouchy chic of Katharine Hepburn. Although there were far more pants shown in this country than in Europe, Calvin Klein is the only designer who can deliver mannish tailored suits with a distinct degree of grace. This is due, in part, to the authority of his cut as well as the paper-thinness of his fabrics. His collection this season was full of light, crêpe de Chine pants and silk turban necks.

The silhouette in most American collections is without surprise short, close to the body, but not contouring the curves, since Azziene Alaia has not been publicized enough in this country to have made an impact yet. The palette is softer and more pastel than last winter, and many of the collections have a dull-edged, perfectly com-mercial ring.

Martha Philips, who as chairman of the Martha fashion salons is the savvy doyenne of American fashions, defined the New York collections as "very wearable and smart." "I was very impressed with the colors, which are flattering, both to the face and the body," she said, "but I think there should be more of a new note."

This need for a new direction has not affected the establishment designers, Geoffrey Beene, Bill Blass and Oscar de la Renta, who more

or less keep playing the same tune — short-skirted suits with belted or cropped jackets. In a country where black-tie seems to be a way of life, these three designers offered a great choice of evening wear, including lots of evening pajamas.

Blass' best dress was long-waisted and skinny, with a scooped out, t-shirt neckline. Tailored suits were softened by fringed silk

Blass' clothes basically cater to top-dollar and conservative clients who want to look pretty without rocking the boat. Among those attending the shows were the television personality Barbara Walters in a red Blass, Pat Buckley in a green Blass, and Nancy Kissinger, who has lately shifted allegiance to Saint Laurent.

The sweater was the strongest trend in this collection. Twin sets in pastel colors were lined or trimmed with print silk. Pale cashmere sweaters had sleeves embroidered with black lace flowers. Red cashmere sweaters had white cuffs and Peter Pan collars, which gave them a would-be ingénue look. Evening sweaters were lined with the same taffeta as the big, billowy skirts underneath.

As Philip Miller, chairman of Marshall Field in Chicago, put it: "It's a great collection and right on target. Blass' sense of color was inspired by his collection of Chinese antiques, was carried out in celadon green and ivory white.

Karl Lagerfeld, who makes an American sportswear line, was showing for the second time in the United States, with a collection that was a digest of shapes shown earlier in Paris. The collection, which was better received than his last one, had a Parisian sense of fun, often missing in American collections.

De la Renta was the most European in his approach, and his clothes were a clever digest of Paris trends. Although simple in design, they had a few more ruffles and generally a more tender finish than

Blass' clothes, which had a minimal spareness to them.

De la Renta's admiration for Saint Laurent was obvious in his jersey outfit that dominated his collection. But he added his own touch to crisp, sharp navy-and-white or black-and-white cutouts.

Carolina Herrera is a South American socialite who has made it both in the stores and the soirees in five short years. Her clothes, which usually feature prominent sleeves, have a well-groomed finish to them. Made of expensive fabrics, they are the typical grand-entrance variety.

Perry Ellis discarded his favorite big shapes for closer-to-the-body clothes. This collection was sweet, short and to the pretty point, with lean belted Chinese dresses, Capri pants teamed with simple white shirts, and sweaters covered with dragon and apple blossoms. The collection, which Ellis said was inspired by his collection of Chinese antiques, was carried out in celadon green and ivory white.

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It was a limited but highly attractive line, enhanced by a sober color scheme (black, navy and white, with an occasional gray) and outstanding accessories, including Robert Lee Morris.

Two other women designers also made their mark last week: Norma Kamai, with a Victorian look, and Caroline Roehm, formerly at de la Renta's, with her mentor's spirit of deluxe clothes that look richer than they cost.



Gown by Ralph Lauren.

'Creole' Version of 'Giselle' a Success In Harlem Dance Theater's Paris Visit

*By David Stevens**International Herald Tribune*

PARIS — Taking classics out of their original context has become a favorite theatrical sport in recent years, but very few such transpositions have worked as beautifully and sensibly as the Dance Theater of Harlem's so-called "creole" version of "Giselle," which was the centerpiece of the company's opening program of a two-week stand in the Paris

In any case, there is nothing realistic about "Giselle." What is more to the point than history is that the bayou country is remote and inherently mysterious and romantic. Michel has created evocative sets, dripping with moss and humidity, and colorful and varied costumes. The parallel between this "Giselle" and the original is splendidly created and sustained, with the atmosphere and imagination that any successful "Giselle" must have.

Of course, there is the music of Adolphe Adam and the choreography that has descended from the original of Coralli and Petrot. It has been adapted for this production by Frederic Franklin, whose memory of it goes back to the Marjore-Dolin company of the 1930s. The basic text is kept relatively uncluttered in this handsome version, both main and secondary characters are sharply delineated, and it is appealingly danced by this company.

Stephanie Dabney attractively headed one of the two casts in the title part, and Donald Williams, as Alain, is flamboyantly convincing as a scion of the bayou aristocracy.

Lorraine Graves was an unshakably authoritarian Myrtha and Keith Saunders an effective Hilarion. The Lamoureux Orchestra was conducted by Boyd Stappin.

The company continues at the Théâtre des Champs-Elysées through Sunday with its second program, including Talley Beatty's "Caravanseraï," Glen Tetley's "Voluntaries" and Geoffrey Holder's "Douglas."

A bonus is the inventive score by Etienne-Nicolas Mehul, better known in the encyclopedias for his operas. It was conducted with sympathetic verve by Charles Furncombe.

The "Napoli" excerpts provide a splendid showcase for some of the Opera's finest young dancers, among them Florence Clark, Karin Avery, Charles Jude and the two dancers most recently promoted to étoile status, Isabelle Guérin and Laurent Hilaire.

Film on Sting Shows How Medium Affects the Message

CAPSULE review of films recently released in the United States:

Jeanne Moreau of The New York Times on "Bring On the Night": Michael Apted's music documentary was intended to document a few days in the lives of Sting and the American jazz musicians with

MOVIE MARQUEE

whom he was about to begin an international tour. What emerges instead is the process by which collaborations, friendships and chains of command were established, as well as a good illustration of how powerful a role a film crew can play in the process it is attempting to record. Early in the film, Sting says he hopes it will show a band being formed, as opposed to other documentaries depicting other bands in their final stages of dissolution. But this isn't an egalitarian group in that sense, and the musicians know it better than Sting does. As the film progresses, however, the musicians' cautious deference toward Sting begins to disappear.

Paul Attanasio of The Washington Post on "Death Wish III":

Munich Culture Center Opens at Putsch Site

The Associated Press
MUNICH — President Richard von Weizsäcker has opened a new culture center on the site of the beer hall from which Adolf Hitler led his November 1923 putsch.

The center, which cost 333 million Deutsche marks (about \$138 million), will house the Munich Philharmonic, the city's central library and the Richard Strauss Conservatory.

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TODAY THE WHITE HOUSE STEPPED UP ITS FREE-SUMMIT DRIVE TO RECAPTURE THE "PROPAGANDA INITIATIVE."

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As you can see, the similarity between a Swiss Army Knife and Zurich Airport is striking. But not really surprising: both were constructed on the principle of offering the user as much as possible in a small space. So it's quite in keeping with the compact and practical infrastructure of Zurich Airport that it has now been enhanced by the enlargement of Terminal A and an extra 18 finger-docks — additions that are specially attractive to the passenger.

swissair

Swissair

iselle: a Success
uter's Paris Visit

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TUESDAY, NOVEMBER 12, 1985

FUTURES AND OPTIONS

Odd Mix of New Contracts Jams Commodities Markets

By JAMES STERN GOLD

New York Times Service

CHICAGO — For a long time, the real battling in the commodities world was between the array of traders and investors who vied for profits in the "pits" on the exchange floors. Today, some of the hottest competition is taking place between the exchanges themselves.

These are years of enormous change and consolidation in the world of futures. Profit margins have been shrinking, volume in many areas has been in a slump and the competitors have become more aggressive than ever. Not only brokers and traders, but exchanges, too, are in a fight for survival.

New products are in the frontline of this battle between the exchanges. The exchanges lob new types of contracts at each other like artillery fire. The competition has in many regards just confused the public, which has been slowly withdrawing from the market. And even some floor traders complain privately that they are being overwhelmed by the plethora of products. But, in the view of the exchanges, the stakes are too high for them to slow down.

"It is kind of a hectic time for the exchanges," acknowledged Galen Burghardt, vice president for financial research at the Chicago Mercantile Exchange. "Before, you had maybe one new contract a year. Now, you can easily have two, three, four or five. It's a little hairy, actually."

The actual number of futures contracts available for trading has only increased to 87 from 79 a decade ago, according to the Futures Industry Association. But about 50 percent of today's products are different from what was around in 1975. And those numbers do not include the increasing number of options contracts. On average, only about one in every five new contracts survives.

The search for product innovation has spawned some pretty unusual ideas. Thomas C. Coleman, director of planning at the Chicago Board of Trade, said that he has received proposals for futures on timed salmon, wooden railroad ties, insurance, electricity and television advertising time. At the Merc., Mr. Burghardt said some of the odder proposals have been on wine, fine china and even "illicit smokeables."

Mr. Coleman emphasized that one should not be too quick to dismiss new suggestions. He acknowledged that he questioned, at first, whether futures on crude oil would fly because there were so many different grades of oil traded, only to find that the futures have found a market.

HE CITED five basic criteria for determining if a futures contract was feasible: There must be a homogeneous, well-known unit for trading; an active underlying cash market that is sufficiently big to encourage people to insure against price risk; a high turnover in the cash market; a price volatility in the cash market; and an interest on the part of end users in ordering the product today for future delivery, known as forward contracting.

For example, Mr. Coleman said that a uranium contract had been proposed and rejected for the time being because its price was too controlled by government regulators. Electricity looked

(Continued on Page 14, Col. 1)

The search for product innovation has spawned some pretty unusual ideas.



The New York Times
Ebony Man is the new magazine produced by John H. Johnson, publisher of Ebony, who is shown in Chicago at the headquarters of his Johnson Publishing Co.

A Brother Magazine Is Born to Ebony

By Jonathan Hicks
New York Times Service

NEW YORK — John H. Johnson, the 67-year-old founder and chairman of the Johnson Publishing Co., the largest black-owned company in the United States, had long resisted putting out a men's fashion magazine. But he changed his mind last summer, associates say, when he saw the splash made by such publications

as Gentlemen's Quarterly and M. This month, Johnson Publishing's Ebony Man, a slick monthly carrying articles on fashion, fitness and personal finance, is making its debut, in hopes of wooing the growing cadre of upwardly mobile black men. Indeed, research indicates that nearly 22 percent of Esquire readers are black. And Gentlemen's Quarterly says 17 percent of its readers are black.

(Continued on Page 14, Col. 6)

EC Challenges Japan's Rules on Alcohol Imports

Agence France-Presse

TOKYO — The European Community is making Japanese imports of alcohol from the EC a test case for its relations with Japan, Lutens Jan Brinkhorst, head of the EC delegation in Tokyo, said Monday.

Last month the EC presented Japan with a plan for changing the system of importing and distributing wines, whiskies and liqueurs, to end what it believes is discrimination against European products.

In the past five years EC alcohol accounted for 0.8 percent to 1.0 percent of the Japanese market.

The EC wants Japan to lower customs rates and alter the tax system. This is a pre-condition for increasing the investment of Euro-

pean alcohol producers in Japan.

Mr. Brinkhorst said: "He added that the EC was showing a 'political interest' in the alcohol trade policies, which affect six or seven of the 10 EC members. He said the EC hoped for 'great benefit' for overall relations."

The obstacles to importing alcohol to Japan give protection to a sector where local products are of inferior quality, less competitive and without historical traditions, Mr. Brinkhorst said, referring to an EC study released Monday.

The EC is calling for the end of a Japanese law that enables a drink to be called Japanese wine if it contains a minimum 5 percent of wine produced in Japan.

This is why Japanese producers have 80 percent of their home market, while actually making only 17 percent of the wine sold. The rest is imported in bulk from Argentina, Bulgaria and elsewhere, according to the study.

The EC also wants the end of what it called a 'political discrimination' of customs duties that are 5.5 to 9.3 times greater for quality bottled wine than for bulk wine.

The EC is also asking for lower tariffs on bottled whisky, which are 6.5 to 7.2 times higher than in Europe.

The EC also wants changes in alcohol taxation. Japanese taxation is based on the product's price rather than on volume as in many other

countries. This penalizes quality European sales, the EC believes. A European expert who contributed to the study said the retail price of Scotch whisky could drop by half in Japan if the tax structure were changed.

Mr. Brinkhorst said the EC wants to be consulted during the preparation of tax changes, which are expected by April 1987.

The EC also disputes Japanese labeling of alcohol. The community seeks clarification so that European names are no longer given to Japanese products.

The EC also wants changes in alcohol taxation. Japanese taxation is based on the product's price rather than on volume as in many other

U.S. Stocks
Report, Page 10

Page 9

BMW Has Talks About Buying Control of MBB

By Warren Geller
International Herald Tribune

FRANKFURT — Bavarian Motoren Werke, the West German automaker, is negotiating with Bavarian government officials about acquiring a controlling stake in Messerschmitt-Bölkow-Blohm, the country's leading aerospace concern. Bavarian officials said Monday that the Bavarian state government itself has a large stake — about 20 percent — in MBB.

A link-up between the two Munich-based companies would be a further step toward consolidating West Germany's automotive and high-technology industries, following last month's apparently successful takeover bid of AEG AG, the electronics conglomerate, by Daimler-Benz AG, the maker of Mercedes automobiles and trucks.

Bavarian Finance Ministry officials, speaking on the condition that they not be identified, said that there had been serious talks between the ministry and BMW about BMW acquiring a controlling interest in MBB of up to 40 percent. This control would depend on the readiness of several state governments to sell a major part of their large holdings in MBB. Industry observers believe that control of MBB could be obtained in the 30-40-percent-shareholding range.

Obtaining a controlling interest in MBB, which is closely held and not listed on a stock exchange, would also depend on the willingness of several corporate shareholders, among them Krupp AG and Thyssen AG, the engineering groups, and two commercial banks, Bayerische Vereinsbank and Dresdner Bank, to sell some or all of their minority holdings in MBB to BMW.

Both Krupp and Thyssen are known in industry circles to be eager to divest themselves of their MBB holdings, which total less than 10 percent, and both commercial banks have indicated that their total 10-percent holding in MBB may be temporary.

The EC also disputes Japanese labeling of alcohol. The community seeks clarification so that European names are no longer given to Japanese products.

The issue of Japan's alcohol-taxation policies is expected to be raised by EC representatives in Tokyo this weekend.

precluded any serious interest in obtaining a shareholding in MBB. Mr. von Kuenheim emphasized that then BMW did not want to be a "junior partner" to the government or any other MBB shareholder.

However, sources said Monday that Mr. von Kuenheim's comment did not rule out taking a stake in MBB later on, particularly if the state governments indicated a willingness to reduce their stakes, which together total nearly 40 percent of MBB's equity.

Officials in the Bavarian Finance Ministry said that the ministry had informed Mr. von Kuenheim that Bavaria was prepared to sell some of its shares in MBB to BMW to improve BMW's chances of obtaining control of MBB. The Bavarian officials said they were sure the governments of Hamburg and Bremer were also prepared to sell some of their shares in MBB, which is a major defense contractor.

Bavarian Finance Ministry officials said Monday that they were (Continued on Page 11, Col. 4)

Japan's Surplus In Trade Lower

The Associated Press

TOKYO — Japan's trade surplus in October dipped to \$4.4 billion from \$4.5 billion in September, but widened from a surplus of \$3.6 billion a year earlier, the Finance Ministry said Monday.

Overall October exports totaled a record \$16.02 billion, up 7.4 percent from a year earlier, while imports were \$11.61 billion, up 2.6 percent. The previous export record was \$15.9 billion in December last year.

Japan's exports to the United States climbed 9.2 percent from October 1984, to \$6.03 billion, while imports from the United States rose 1.6 percent, to \$2.32 billion, for a surplus of \$3.71 billion. That was second only to the record \$3.78 billion surplus in September.

Currency Rates

Cross Rates		Nov. 8/11							
		D.M.	F.F.	G.L.	S.F.	S.F.	S.D.	S.D.	
Amsterdam	E	1.205	172.765	37.00	1.617	—	127.22	142.95	
Buenos Aires	E	2.627	2.73	22.82	1.60	81.75	4.87	121.82	1.277
London (b)	E	1.42	—	11.294	1.2149	4.205	75.29	1.04	292.35
Milan	E	1.7250	2.5193	67.12	27.53	—	59.67	32.15	81.60
Paris	E	2.615	201.51	76.34	26.91	49.41	204.71	15.33	—
Zurich	E	2.140	—	22.21	2.99	12.718	72.95	4.7069	—
1 ECU	E	—	—	—	—	—	—	—	1.0407
1 SDR	E	—	—	—	—	—	—	—	—

(a) Commercial franc. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 10,000 (f) Units of 100,000 (g) Not quoted; N.A.: not available.

(e) To buy one pound: \$1.5250.

Interest Rates

Eurocurrency Deposits		Nov. 8/11							
		D-Mark	French	Swiss	British	ECU	S.D.	S.D.	
1 month	E 1-4 1/2	4.10	4.10	4.10	4.10	4.10	4.10	4.10	
2 months	E 1-4 1/2	4.10	4.10	4.10	4.10	4.10	4.10	4.10	
3 months	E 1-4 1/2	4.10	4.10	4.10	4.10	4.10	4.10	4.10	
4 months	E 1-4 1/2	4.10	4.10	4.10	4.10	4.10	4.10	4.10	
1 year	E 1-4 1/2	4.10	4.10	4.10	4.10	4.10	4.10	4.10	

Sources: Morgan Guaranty (dollar), D.M., F.F., Pound, FF/F; Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

(d) Sterling: £1.206 Irish £.

(e) To buy one pound: £1.5250.

(f) To buy one pound: £1.5250.

(g) Not quoted; N.A.: not available.

(h) To buy one pound: £1.5250.

(i) To buy one pound: £1.5250.

(j) To buy one pound: £1.5250.

(k) To buy one pound: £1.5250.</

NYSE Most Actives						
Vol.	Nth	Low	High	Last	Chg.	Clos.
Sears	2,024	24	24	24	-1/2	24
IBM	1,502	12	12	12	+1/2	12
AT&T	1,501	21	21	21	+1/2	21
United	1,499	12	12	12	+1/2	12
Petrich	1,498	12	12	12	+1/2	12
Federal	1,497	12	12	12	+1/2	12
General	1,496	12	12	12	+1/2	12
Philips	1,495	12	12	12	+1/2	12
Honeywell	1,494	12	12	12	+1/2	12
ITT	1,493	12	12	12	+1/2	12
ITT Corp.	1,492	12	12	12	+1/2	12
Bell	1,491	12	12	12	+1/2	12
ITT Corp.	1,490	12	12	12	+1/2	12
ITT Corp.	1,489	12	12	12	+1/2	12
ITT Corp.	1,488	12	12	12	+1/2	12
ITT Corp.	1,487	12	12	12	+1/2	12
ITT Corp.	1,486	12	12	12	+1/2	12
ITT Corp.	1,485	12	12	12	+1/2	12
ITT Corp.	1,484	12	12	12	+1/2	12
ITT Corp.	1,483	12	12	12	+1/2	12
ITT Corp.	1,482	12	12	12	+1/2	12
ITT Corp.	1,481	12	12	12	+1/2	12
ITT Corp.	1,480	12	12	12	+1/2	12
ITT Corp.	1,479	12	12	12	+1/2	12
ITT Corp.	1,478	12	12	12	+1/2	12
ITT Corp.	1,477	12	12	12	+1/2	12
ITT Corp.	1,476	12	12	12	+1/2	12
ITT Corp.	1,475	12	12	12	+1/2	12
ITT Corp.	1,474	12	12	12	+1/2	12
ITT Corp.	1,473	12	12	12	+1/2	12
ITT Corp.	1,472	12	12	12	+1/2	12
ITT Corp.	1,471	12	12	12	+1/2	12
ITT Corp.	1,470	12	12	12	+1/2	12
ITT Corp.	1,469	12	12	12	+1/2	12
ITT Corp.	1,468	12	12	12	+1/2	12
ITT Corp.	1,467	12	12	12	+1/2	12
ITT Corp.	1,466	12	12	12	+1/2	12
ITT Corp.	1,465	12	12	12	+1/2	12
ITT Corp.	1,464	12	12	12	+1/2	12
ITT Corp.	1,463	12	12	12	+1/2	12
ITT Corp.	1,462	12	12	12	+1/2	12
ITT Corp.	1,461	12	12	12	+1/2	12
ITT Corp.	1,460	12	12	12	+1/2	12
ITT Corp.	1,459	12	12	12	+1/2	12
ITT Corp.	1,458	12	12	12	+1/2	12
ITT Corp.	1,457	12	12	12	+1/2	12
ITT Corp.	1,456	12	12	12	+1/2	12
ITT Corp.	1,455	12	12	12	+1/2	12
ITT Corp.	1,454	12	12	12	+1/2	12
ITT Corp.	1,453	12	12	12	+1/2	12
ITT Corp.	1,452	12	12	12	+1/2	12
ITT Corp.	1,451	12	12	12	+1/2	12
ITT Corp.	1,450	12	12	12	+1/2	12
ITT Corp.	1,449	12	12	12	+1/2	12
ITT Corp.	1,448	12	12	12	+1/2	12
ITT Corp.	1,447	12	12	12	+1/2	12
ITT Corp.	1,446	12	12	12	+1/2	12
ITT Corp.	1,445	12	12	12	+1/2	12
ITT Corp.	1,444	12	12	12	+1/2	12
ITT Corp.	1,443	12	12	12	+1/2	12
ITT Corp.	1,442	12	12	12	+1/2	12
ITT Corp.	1,441	12	12	12	+1/2	12
ITT Corp.	1,440	12	12	12	+1/2	12
ITT Corp.	1,439	12	12	12	+1/2	12
ITT Corp.	1,438	12	12	12	+1/2	12
ITT Corp.	1,437	12	12	12	+1/2	12
ITT Corp.	1,436	12	12	12	+1/2	12
ITT Corp.	1,435	12	12	12	+1/2	12
ITT Corp.	1,434	12	12	12	+1/2	12
ITT Corp.	1,433	12	12	12	+1/2	12
ITT Corp.	1,432	12	12	12	+1/2	12
ITT Corp.	1,431	12	12	12	+1/2	12
ITT Corp.	1,430	12	12	12	+1/2	12
ITT Corp.	1,429	12	12	12	+1/2	12
ITT Corp.	1,428	12	12	12	+1/2	12
ITT Corp.	1,427	12	12	12	+1/2	12
ITT Corp.	1,426	12	12	12	+1/2	12
ITT Corp.	1,425	12	12	12	+1/2	12
ITT Corp.	1,424	12	12	12	+1/2	12
ITT Corp.	1,423	12	12	12	+1/2	12
ITT Corp.	1,422	12	12	12	+1/2	12
ITT Corp.	1,421	12	12	12	+1/2	12
ITT Corp.	1,420	12	12	12	+1/2	12
ITT Corp.	1,419	12	12	12	+1/2	12
ITT Corp.	1,418	12	12	12	+1/2	12
ITT Corp.	1,417	12	12	12	+1/2	12
ITT Corp.	1,416	12	12	12	+1/2	12
ITT Corp.	1,415	12	12	12	+1/2	12
ITT Corp.	1,414	12	12	12	+1/2	12
ITT Corp.	1,413	12	12	12	+1/2	12
ITT Corp.	1,412	12	12	12	+1/2	12
ITT Corp.	1,411	12	12	12	+1/2	12
ITT Corp.	1,410	12	12	12	+1/2	12
ITT Corp.	1,409	12	12	12	+1/2	12
ITT Corp.	1,408	12	12	12	+1/2	12
ITT Corp.	1,407	12	12	12	+1/2	12
ITT Corp.	1,406	12	12	12	+1/2	12
ITT Corp.	1,405	12	12	12	+1/2	12
ITT Corp.	1,404	12	12	12	+1/2	12
ITT Corp.	1,403	12	12	12	+1/2	12
ITT Corp.	1,402	12	12	12	+1/2	12
ITT Corp.	1,401	12	12	12	+1/2	12
ITT Corp.	1,400	12	12	12	+1/2	12
ITT Corp.	1,399	12	12	12	+1/2	12
ITT Corp.	1,398	12	12	12	+1/2	12
ITT Corp.	1,397	12	12	12	+1/2	12
ITT Corp.	1,396	12	12	12	+1/2	12
ITT Corp.	1,395	12	12	12	+1/2	12
ITT Corp.	1,394	12	12	12	+1/2	12
ITT Corp.	1,393	12	12	12	+1/2	12
ITT Corp.	1,392	12	12	12	+1/2	12
ITT Corp.	1,391	12	12	12	+1/2	12
ITT Corp.	1,390	12	12	12	+1/2	12
ITT Corp.	1,389	12	12	12	+1/2	12
ITT Corp.	1,388	12	12	12	+1/2	12
ITT Corp.	1,387	12	12	12	+1/2	12
ITT Corp.	1,386	12	12	12	+1/2	12
ITT Corp.	1,385	12	12	12	+1/2	12
ITT Corp.	1,384	12	12	12	+1/2	12
ITT Corp.	1,383	12	12	12	+1/2	12
ITT Corp.	1,382	12	12	12	+1/2	12
ITT Corp.	1,381	12	12	12	+1/2	12
ITT Corp.	1,380	12	12	12	+1/2	12
ITT Corp.	1,379	12	12	12	+1/2	12
ITT Corp.	1,378	12	12	12	+1/2	12
ITT Corp.	1,377	12	12	12	+1/2	12
ITT Corp.	1,376	12	12	12	+1/2	12
ITT Corp.	1,375	12	12	12	+1/2	12
ITT Corp.	1,374					

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JULY 1985

Malaysian Metals Firm Suspends LME Dealings

Compiled by Our Staff From Dispatches

LONDON — MMC Metals, one of 27 floor dealers in tin, suspended all dealings on the London Metal Exchange on Monday, throwing London's metals markets into further turmoil.

The company is owned by the Malaysian Mining Corp. — one of the world's biggest producers of tin — and the announcement prompted speculation that Malaysia may withdraw support for the International Tin Council, the 22-member body that governs tin prices.

MMC Metals was established in 1983. Before that, Malaysia used existing dealers for trading. The company has been mainly active in tin and is believed to have acted Monday to protest the LME's decision to re-open tin trading Nov. 18.

Trade sources pointed to the fierce "tug-of-war" between those LME members who want an early resumption of tin trading and those with a heavy exposure in tin, such as MMC Metals, and who want to wait for positive signals from the ITC.

The crisis was ignited Oct. 24 when the ITC announced that it no longer had the money to prop up tin prices and blamed overprodu-

ction by non-council members such as China, Bolivia and Brazil.

The LME suspended trading that day and the Kuala Lumpur Tin Market, the second largest in the world, followed on Oct. 25. The ITC's debts are estimated at about \$600 million (\$340 million) and the council has scheduled a new meeting on the problems for Thursday.

In La Paz on Monday, the mining minister, Simónoro Cabrera, said that Bolivia's major tin mines had been ordered to reduce output. The country's planning minister, Guillermo Bedregal, said that the trading crisis and collapse in tin prices threatened to plunge Bolivia into "a tremendous depression."

Meanwhile in Kuala Lumpur, a leading mine official said that many small Malaysian tin mines have been forced to close or scale down operations.

How See Tong, president of the Penang Chinese Miners Association, said that no figures on actual mine closures would be available until the Mines Department completes its monthly census at the end of November.

Malaysia had 449 mines in operation at the end of last year.

(Reuters, AFP, UPI)

Notice of Redemption

Transamerica Overseas Finance Corporation N.V.

8 1/2% Guaranteed Sinking Fund Debentures Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 1, 1971, under which the above-designated Debentures are issued, \$1,876,000 aggregate principal amount of such Debentures of the following distinctive numbers have been selected for redemption on December 1, 1985 at the redemption price of 100 percent of the principal amount thereof, plus accrued interest to the date of redemption. On or after the redemption date, interest on such Debentures will cease to accrue.

\$1,000 COUPON DEBENTURES

M1	1091	3551	6915	4067	8773	9852	10195	10658	12006	13221	13753	14683	15058	18285	19891
4	1096	3582	6917	8071	8806	9854	10204	10661	13007	13222	13754	14694	15060	18289	19896
9	1098	3584	6920	8072	8810	9855	10203	10673	13012	13223	13781	14687	15061	18272	19891
10	1099	3585	6921	8077	8811	9857	10205	10674	13016	13225	13783	14685	15063	18273	19892
14	1100	3586	6922	8078	8812	9858	10206	10675	13017	13226	13784	14686	15064	18280	19893
15	1102	3588	6923	8080	8816	9861	10209	10678	13124	13229	13796	14691	15066	18289	19895
15	1103	3589	6924	8081	8817	9862	10210	10680	13120	13231	13797	14697	15067	18283	19897
15	1105	3593	6925	8083	8819	9863	10213	10681	13123	13234	13798	14698	15068	18283	19898
25	1106	3595	6926	8084	8821	9864	10215	10682	13125	13235	13799	14699	15069	18284	19899
43	1107	3597	6927	8085	8823	9865	10216	10683	13126	13236	13800	14700	15071	18285	19700
43	1108	3598	6928	8086	8824	9866	10217	10684	13127	13237	13801	14701	15072	18286	19701
43	1109	3599	6929	8087	8825	9867	10218	10685	13128	13238	13802	14702	15073	18287	19702
43	1110	3600	6930	8088	8826	9868	10219	10686	13129	13239	13803	14703	15074	18288	19703
43	1111	3601	6931	8089	8827	9869	10220	10687	13130	13240	13804	14704	15075	18289	19704
43	1112	3602	6932	8090	8828	9870	10221	10688	13131	13241	13805	14705	15076	18290	19705
43	1113	3603	6933	8091	8829	9871	10222	10689	13132	13242	13806	14706	15077	18291	19706
43	1114	3604	6934	8092	8830	9872	10223	10690	13133	13243	13807	14707	15078	18292	19707
43	1115	3605	6935	8093	8831	9873	10224	10691	13134	13244	13808	14708	15079	18293	19708
43	1116	3606	6936	8094	8832	9874	10225	10692	13135	13245	13809	14709	15080	18294	19709
43	1117	3607	6937	8095	8833	9875	10226	10693	13136	13246	13810	14710	15081	18295	19710
43	1118	3608	6938	8096	8834	9876	10227	10694	13137	13247	13811	14711	15082	18296	19711
43	1119	3609	6939	8097	8835	9877	10228	10695	13138	13248	13812	14712	15083	18297	19712
43	1120	3610	6940	8098	8836	9878	10229	10696	13139	13249	13813	14713	15084	18298	19713
43	1121	3611	6941	8099	8837	9879	10230	10697	13140	13250	13814	14714	15085	18299	19714
43	1122	3612	6942	8100	8838	9880	10231	10698	13141	13251	13815	14715	15086	18300	19715
43	1123	3613	6943	8101	8839	9881	10232	10699	13142	13252	13816	14716	15087	18301	19716
43	1124	3614	6944	8102	8840	9882	10233	10700	13143	13253	13817	14717	15088	18302	19717
43	1125	3615	6945	8103	8841	9883	10234	10701	13144	13254	13818	14718	15089	18303	19718
43	1126	3616	6946	8104	8842	9884	10235	10702	13145	13255	13819	14719	15090	18304	19719
43	1127	3617	6947	8105	8843	9885	10236	10703	13146	13256	13820	14720	15091	18305	19720
43	1128	3618	6948	8106	8844	9886	10237	10704	13147	13257	13821	14721	15092	18306	19721
43	1129	3619	6949	8107	8845	9887	10238	10705	13148	13258	13822	14722	15093	18307	19722
43	1130	3620	6950	8108	8846	9888	10239	10706	13149	13259	13823	14723	15094	18308	19723
43	1131	3621	6951	8109	8847	9889	10240	10707	13150	13260	13824	14724	15095	18309	19724
43	1132	3622	6952	8110	8848	9890	10241	10708	13151	13261	13825	14725	15096	18310	19725
43	1133	3623	6953	8111	8849	9891	10242	10709	13152	13262	13826	14726	15097	18311	19726
43	1134	3624	6954	8112	8850	9892	10243	10710	13153	13263	13827	14727	15098	18312	19727
43	1135	3625	6955	8113	8851	9893	10244	10711	13154	13264	13828	14728	15099	18313	19728
43	1136	3626	6956	8114	8852	9894	10245	10712	13155	13265	13				

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 10)

	12 Month High	Low	Stock	Div.	Yld.	P/E	Si.	12 Month High	Low	Stock	Div.	Yld.	P/E	Si.	12 Month High	Low	Stock	Div.	Yld.	P/E	Si.	12 Month High	Low	Stock	Div.	Yld.	P/E	Si.			
Norcon	32.0	29.5	NRG	0	0	12.0	10	10.0	9.5	NRG	0	0	12.0	10	10.0	9.5	NRG	0	0	12.0	10	10.0	9.5	NRG	0	0	12.0	10	10.0	9.5	NRG
Northstar	21.5	19.5	NSR	0	0	12.0	10	10.0	9.5	NSR	0	0	12.0	10	10.0	9.5	NSR	0	0	12.0	10	10.0	9.5	NSR	0	0	12.0	10	10.0	9.5	NSR
Nucor	40.0	38.0	NUC	0	0	12.0	10	10.0	9.5	NUC	0	0	12.0	10	10.0	9.5	NUC	0	0	12.0	10	10.0	9.5	NUC	0	0	12.0	10	10.0	9.5	NUC
NYNEX	6.0	5.0	NYNEX	0	0	12.0	10	10.0	9.5	NYNEX	0	0	12.0	10	10.0	9.5	NYNEX	0	0	12.0	10	10.0	9.5	NYNEX	0	0	12.0	10	10.0	9.5	NYNEX
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
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Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY
Occidental	14.0	12.0	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	OXY	0	0	12.0	10	10.0	9.5	

BUSINESS ROUNDUP

Major Changes Planned At Omega Watch Unit

Reuters
BIENNE, Switzerland — Omega, the troubled division of Switzerland's leading watchmaker, is to be restructured after a string of losses this decade, its owners announced Monday.

The product range is to be reduced, the work force cut by more than half and new marketing strategies introduced in a bid to put Omega back into profit by 1987.

Ernst Thomke, vice president of Societe Suisse de Microelectronique et d'Horlogerie, whose other brands include Swatch, Tissot, ETA and Longines, said at a news conference that Omega had suffered from rising costs, overexten-

ded product line and lack of new ideas.

He called Omega's plight a "classic picture of the Swiss watch industry with all the consequences."

The division's operating losses were around 30.7 million Swiss francs (\$14.3 million) last year.

Pierre Arnold, chief executive of SMIH, said the Swiss industry had made great strides since competition from Japanese producers forced a 660-million-franc takeover by Swiss banks in 1983.

Now back in private hands, the SMH group could expect to more than double its profit to 86.5 million francs in 1985, he said.

The low-priced, fashionable Abdu Dhabi Helicopters, formed in 1976, operates a fleet of 33 Bell Textron helicopters, mainly on charter to oil companies. It has no scheduled passenger service. Abu Dhabi is a shareholder in the regional airline Gulf Air, also owned by the governments of Bahrain, Oman and Qatar.

Airline Created By Abu Dhabi

Reuters

ABU DHABI — A new commercial airline, Abu Dhabi Airline Co., has been created to fly helicopters and fixed-wing craft on routes inside and outside the United Arab Emirates, the official news agency, WAM, said Monday.

Abu Dhabi created the airline from the publicly held Abu Dhabi Helicopter Co., with capital of 200 million dirhams (\$54.5 million), of which 90 million dirhams will be paid up, WAM said. Sheikh Khalifa bin Zaid al-Nahayan decreed the name change and boosted the capital from 60 million dirhams it said.

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COMPANY NOTES

Reuters

HONG KONG — British Airways PLC expects operating profit for 1985-86 to be slightly below last year's £503 million (\$431 million) as a result of foreign-exchange translations and the grounding of aircraft for inspection, its chief executive said Monday in Hong Kong.

The executive, Colin Marshall, said net profit in the fiscal year ending next March 31 would be about equal to the £202 million of 1984-85, which excluded extraordinary items. Net profit will be aided by foreign-exchange translations on the company's loans and assets.

Operating profit is earnings before tax and interest charges.

Other airline officials said results were hurt by the strength of the pound, the temporary grounding of BA's fleet of Boeing 737s after a fire aboard a 737 in August in which 55 passengers died, and a mechanical problem with a Lockheed L-1011 TriStar.

Mr. Marshall said BA expected a fuel-price increase soon.

Lucas to Raise £89.4 Million

Reuters
LONDON — Lucas Industries PLC said Monday that it plans to raise about £89.4 million (£127.2 million) through an underwritten rights issue. Lucas also reported pretax profit of £57.8 million for the financial year ended July 31, up 77 percent from the previous year.

The increase in profit was greater than forecast — brokers had been expecting pretax profit of about £53 million — and Lucas Industries shares were last quoted Monday at 463 pence, up 15 pence since Friday.

The rights issue will be on the basis of one new ordinary share for every four existing ordinary shares and three new ordinary shares for every eight redeemable preference shares at 365 pence per new ordinary share. The new shares will not receive the final dividend of 8.4 pence per share for 1984-85. Lucas said.

Amoco Corp. said it will sign a contract Tuesday with China National Offshore Oil Corp. to look for oil off China's southeast coast, its first operation in China.

Australia & New Zealand Banking Group Ltd. said it has received approval from Japan's Ministry of Finance to convert the Tokyo branch of its subsidiary, Grindlays Bank PLC, to a full ANZ branch.

British Caledonian said it plans to launch nonstop services between London's Gatwick airport and Tokyo and Seoul in the summer of 1987. The airline said it takes a license application Wednesday to a

public hearing of the Civil Aviation Authority.

Deutsche Bank AG plans to open a Japanese unit of one of its securities business subsidiaries, Japanese Finance Ministry officials said. The ministry recently agreed to allow foreign banks with branches in Japan to begin securities operations through subsidiary companies in which they have less than 50 percent.

Ford Aerospace Communication Corp. of California has signed a \$70-million contract to provide India with an Inmarsat satellite for telecommunications and weather forecasting, government officials in New Delhi said.

Jaguar PLC said its world sales reached a record 3,976 in 1984, a 40-percent increase from October 1984. During the first 10 months of 1985, Jaguar said it sold 30,974 cars, a 13-percent gain from the like 1984 period.

Union Bank of Switzerland will be listed in the foreign section of the Tokyo Stock Exchange in late December, the exchange said Monday.

BA Expecting Fall in Annual Operating Profit

Reuters
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Mr. Marshall said BA expected a fuel-price increase soon.

New Products Jam Commodities Markets

(Continued from Page 9)
promising at first, but there was no homogenous unit to trade, since electricity rates vary so much between peak and non-peak hours.

Nonetheless, many new contracts are awaiting approval from the regulators, or are in the planning stages. For the Chicago Board of Trade, these include futures on Treasury security repurchase agreements, a kind of short-term loan; futures on zero-coupon notes and bonds; a sub-index on over-the-counter stocks; a yen bond contract; and a London Stock Exchange index. At the Merc, a zero-coupon contract is also planned, as well as a future on the European Currency Unit and other currencies, and an index on Tokyo's stock exchange.

"It's hard to imagine where you go from here," Mr. Burghardt said.

There was one sign here last week that, even as competition mounts, cooperation between rivals might still be possible.

At a meeting Nov. 4, the CBOT and the Chicago Board Options Exchange decided to finally begin work on a long-stalled footbridge between their two adjacent buildings, officials from both exchanges said.

The exchanges had planned the covered walkway since the two new buildings were constructed several years ago. The idea was a natural, since the CBOT had created the CBOE over a decade ago and housed it for a number of years. And many traders hold a dual membership that allows them to trade on both floors.

Relations between the two grew frosty, however, when the youthful offspring of the venerable Board of Trade began to show its independence and compete. This grew to a head when the footbridge apparently was put on ice about a year ago.

Ray Carmichael, a spokesman for the CBOT, said that last week's meeting involved staff members of the two exchanges, and it was decided to get moving soon on the symbolic and physical link.

Company Results
Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Britain		Over Net	3.20	21.9	Net Inc.	4.40	0.50	
		Over Shrs.	0.21	1.34	Per Share	0.13	0.03	
1st Half	1985	1984	Over Net	5.07	45.25	Year	1985	1984
Revenue	1,458	1,423	Profit	1,428	1,423	Net Inc.	13.0	11.2
Per Share	1.088	1.072	Per Share	0.99	1.01	Per Share	0.99	1.01

Lucas Industries		Columbia Gas Sys.	Over Net	1985	1984	Net Inc.	1985	1984
		Over Shrs.	0.21	1.34	Per Share	0.13	0.03	
Year	1985	1984	Revenue	1,500	1,400	Profit	1,428	1,423
Over Net	1,458	1,423	Per Share	1.088	1.072	Per Share	0.99	1.01
9 Months	1985	1984	Revenue	1,458	1,423	Profit	1,428	1,423
Over Net	1,458	1,423	Per Share	1.088	1.072	Per Share	0.99	1.01
Revenue	1,458	1,423	Over Net	1,458	1,423	Per Share	1.088	1.072
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Over Net	1,458	1,423	Per Share	1.088	1.072	Per Share	0.99	1.01

Columbia Gas Sys.		Over Net	1985	1984	Net Inc.	1985	1984	
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Walt Disney Prod.		Over Net	1985	1984	Net Inc.	1985	1984	
		Over Shrs.	0.21	1.34	Per Share	0.13	0.03	
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Walt Disney Prod.		Over Net	1985	1984	Net Inc.	198

